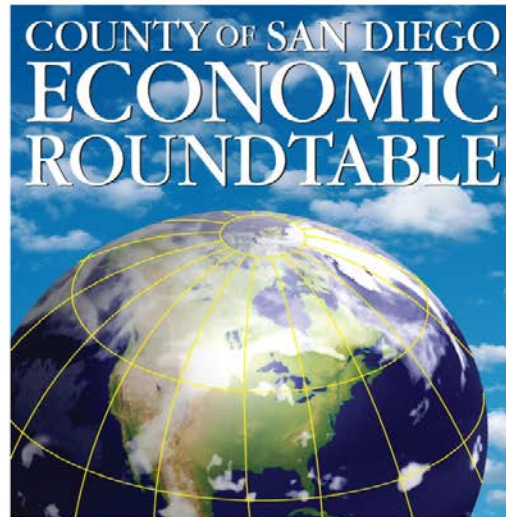


# Welcome to the COUNTY OF SAN DIEGO ECONOMIC ROUNDTABLE

---

*The longest-running local economic  
forecasting event in San Diego County!*



*Sponsored by*



SAN DIEGO  
WORKFORCE  
PARTNERSHIP®



UT  
San Diego

# California and U.S. Job Outlook

## 28<sup>th</sup> Annual Economic Roundtable



**Lynn Reaser, Ph.D.**

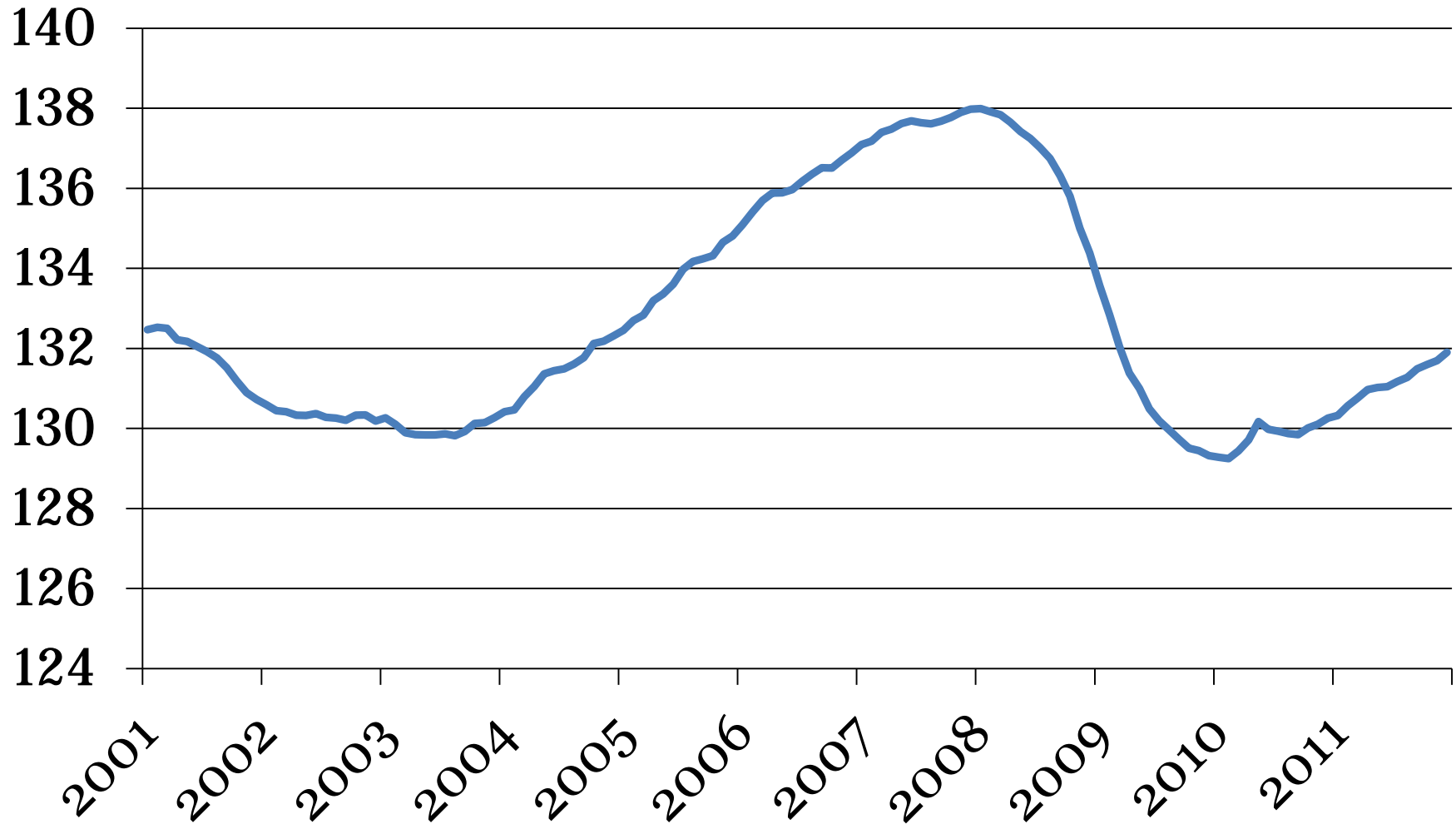
Chief Economist Fermanian Business & Economic Institute

Point Loma Nazarene University

January 19, 2012

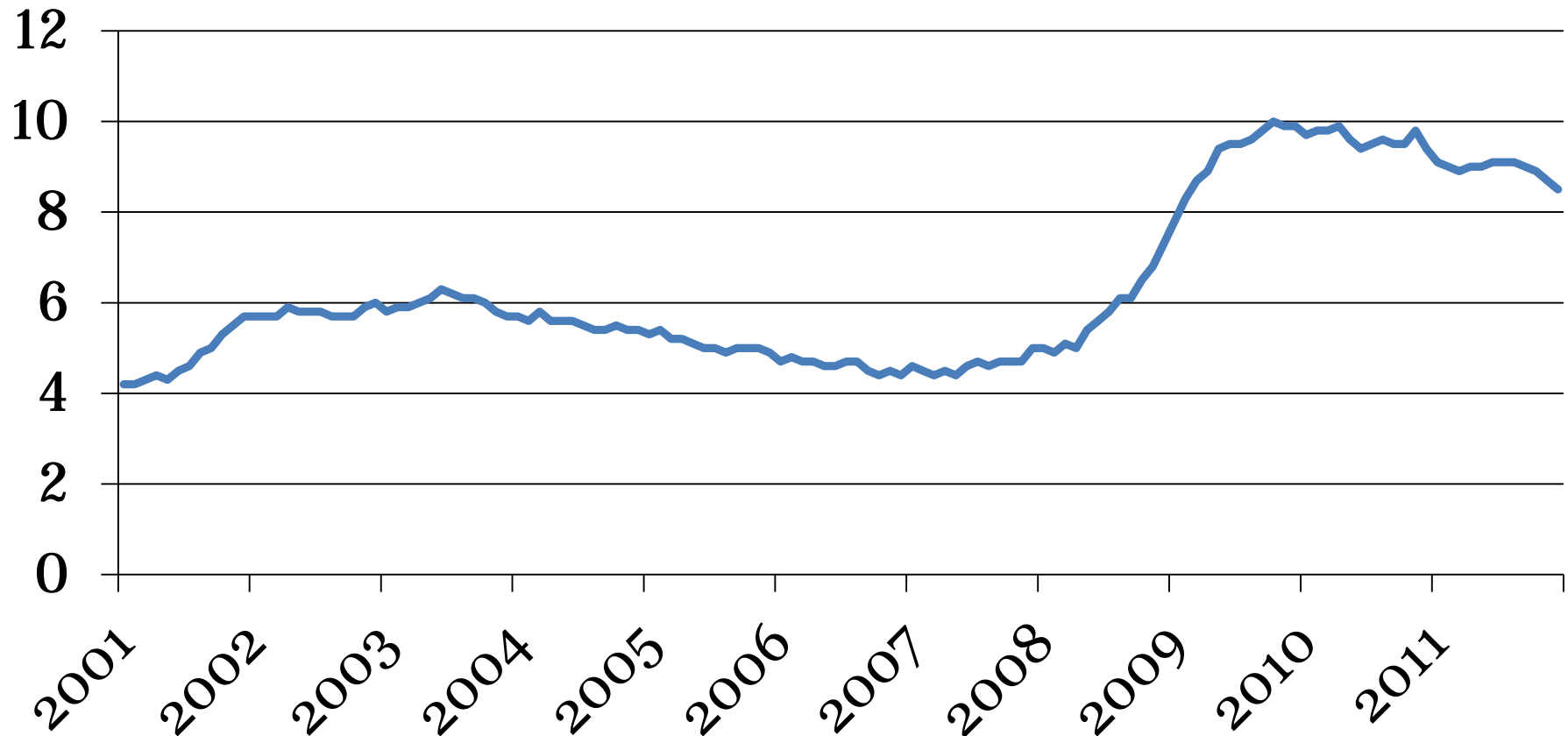
# U.S. Job Opportunities Emerge

## Nonfarm payrolls, millions



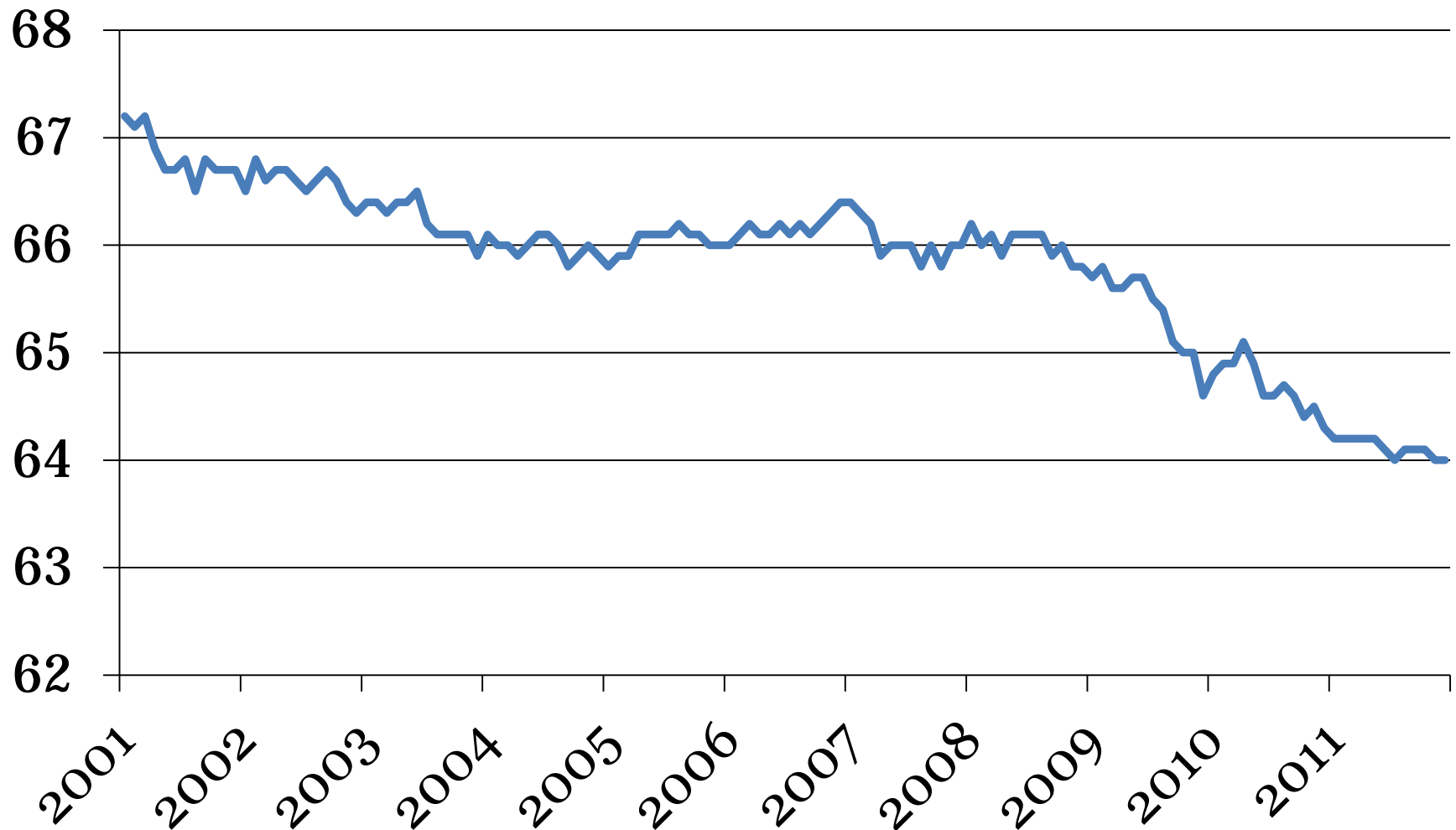
# U.S. Unemployment Rate Falls

## Percent



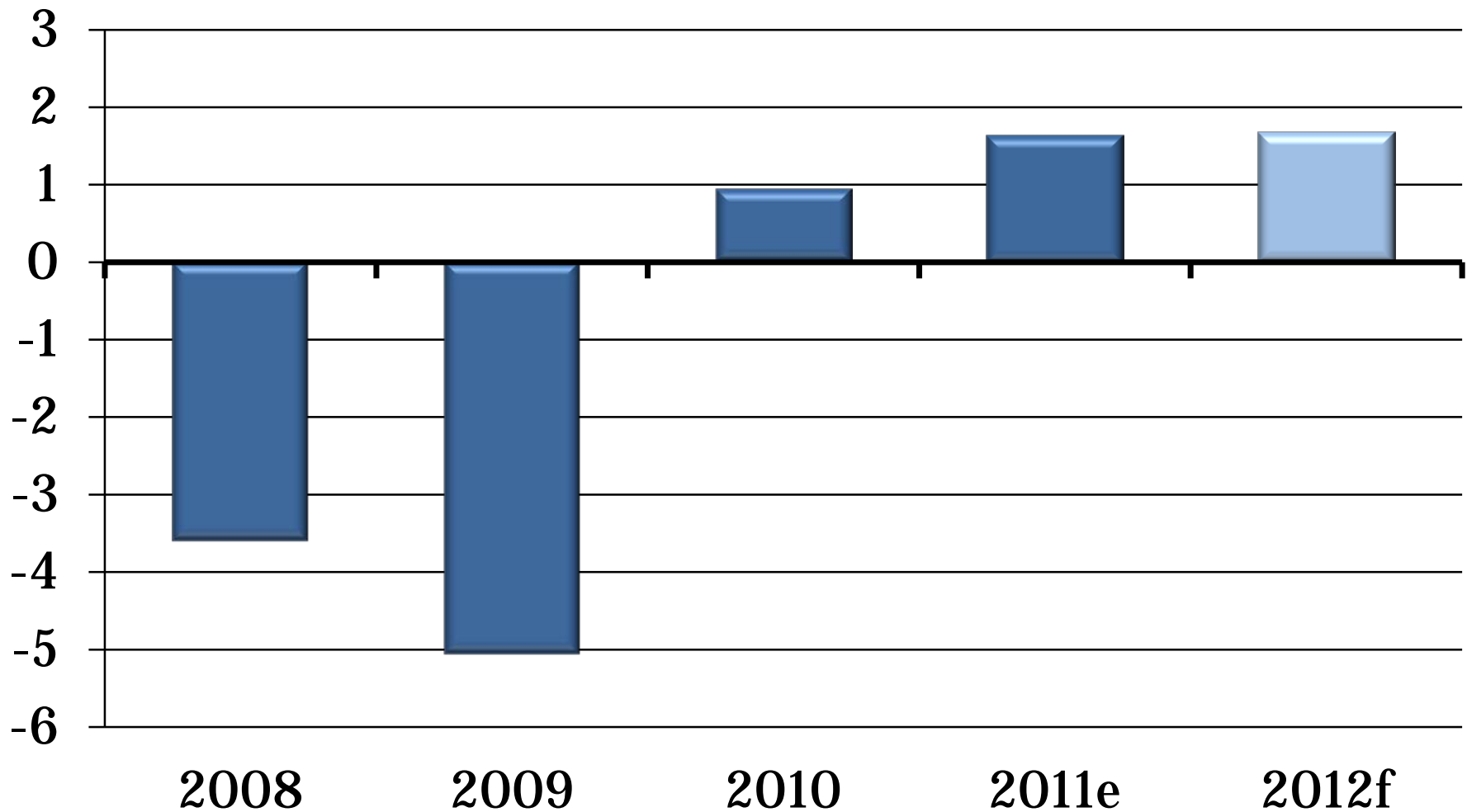
# Labor Force Participation Declines

Share of population, percent



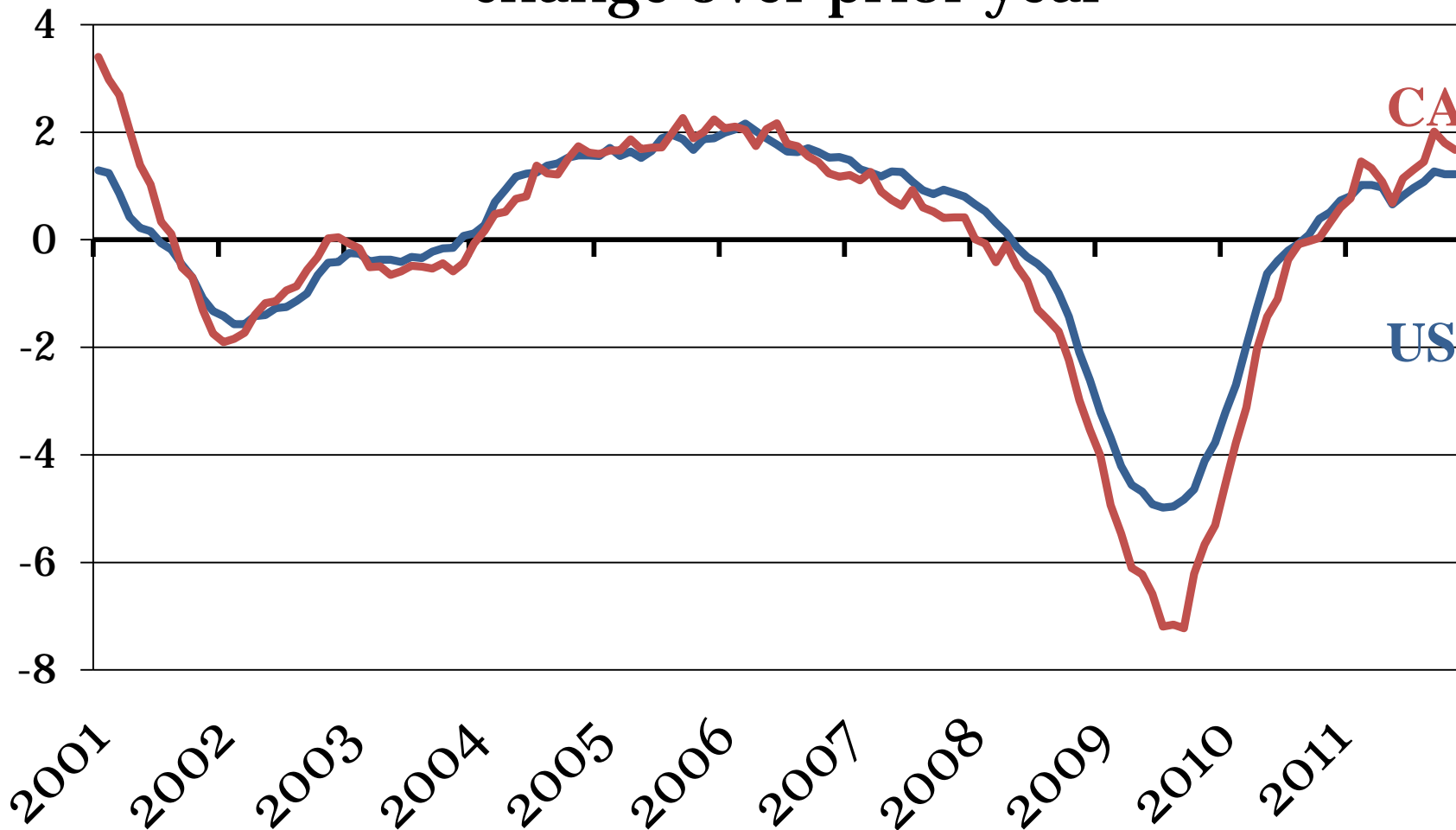
# U.S. Jobs to Post Moderate Gain

December, change over prior year, millions

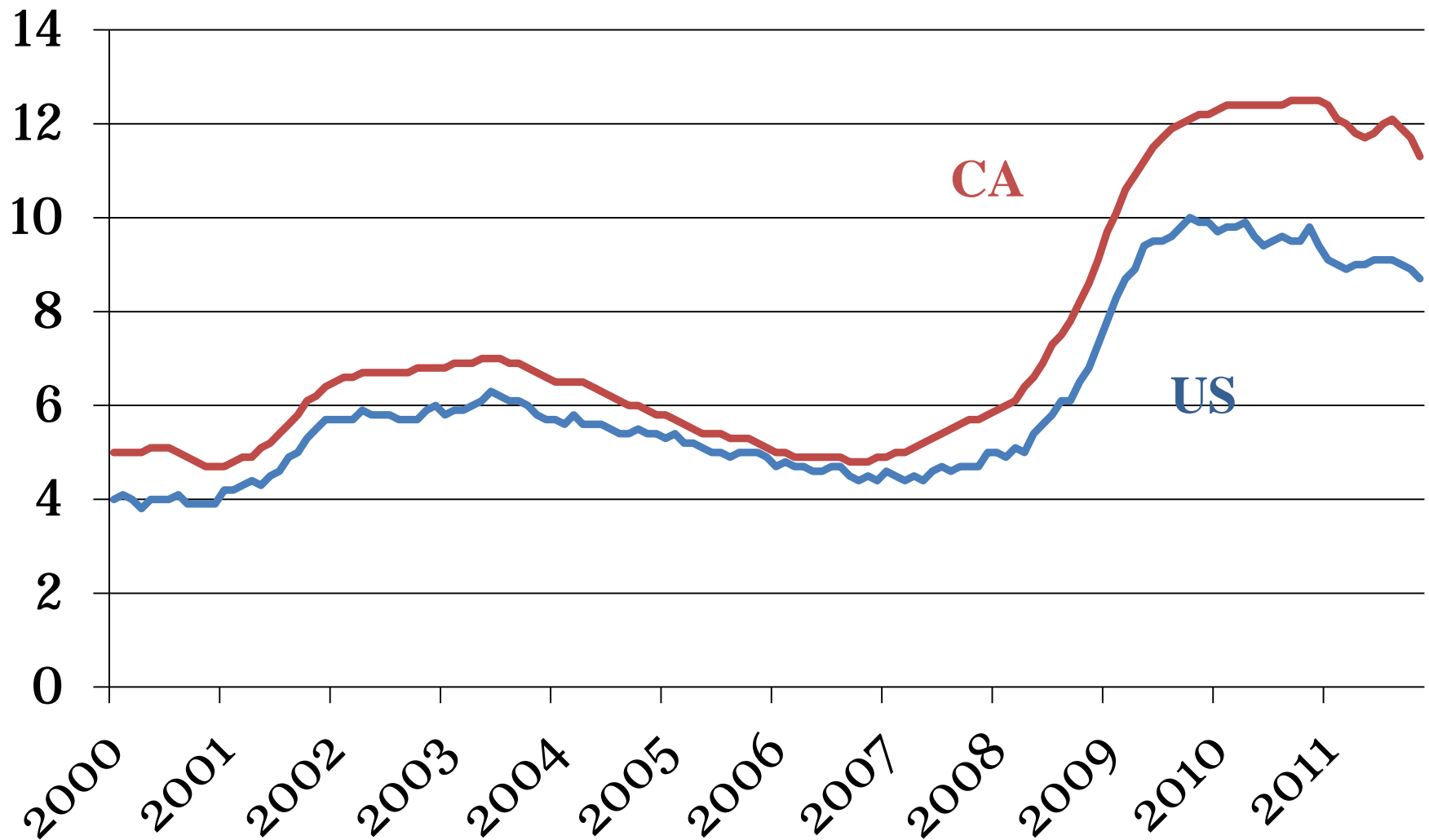


# California Recovers with Nation

Nonfarm employment, percent  
change over prior year



# California's Jobless Rate Remains Above U.S. Percent



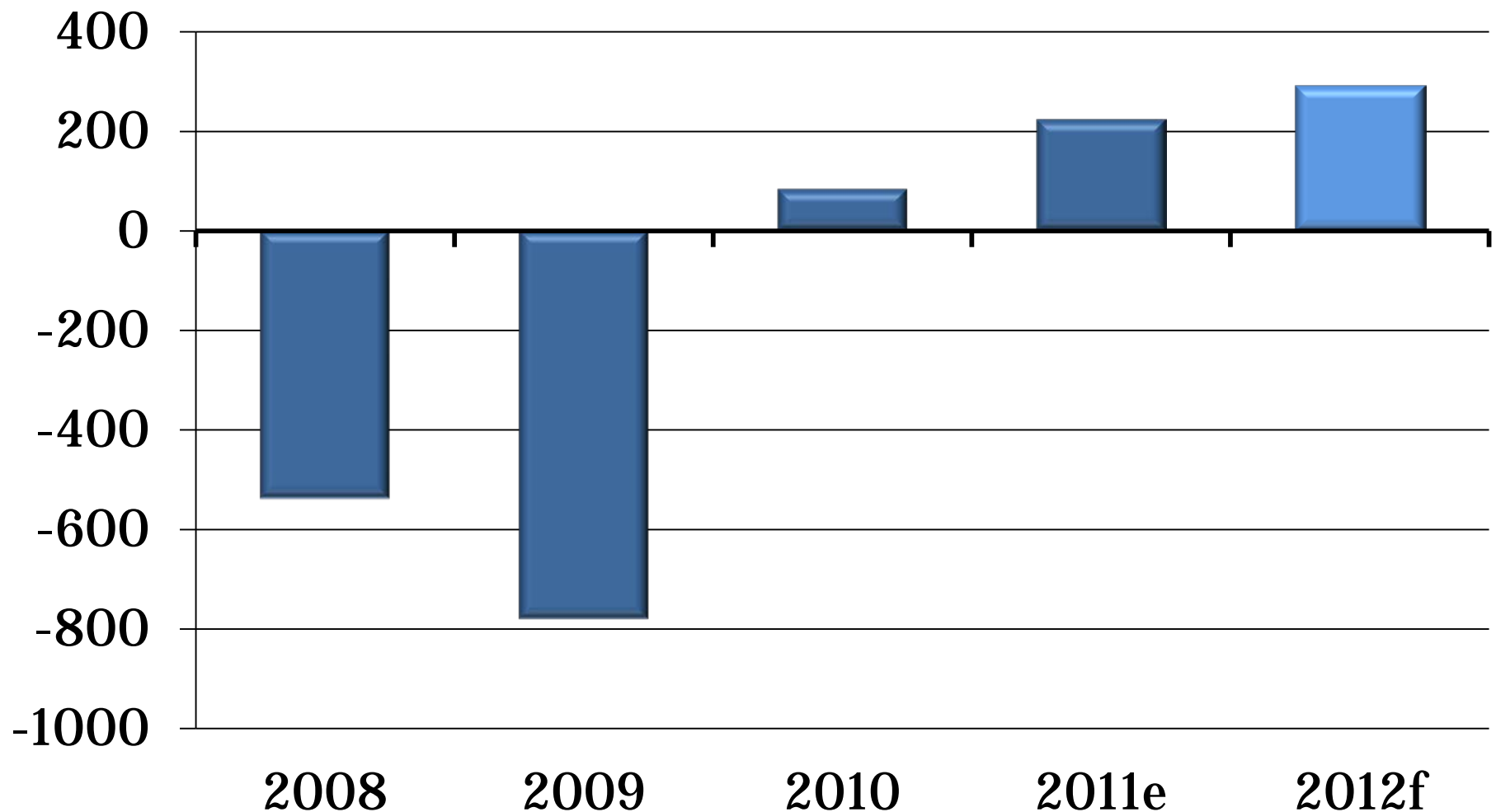


# Job Market Barriers



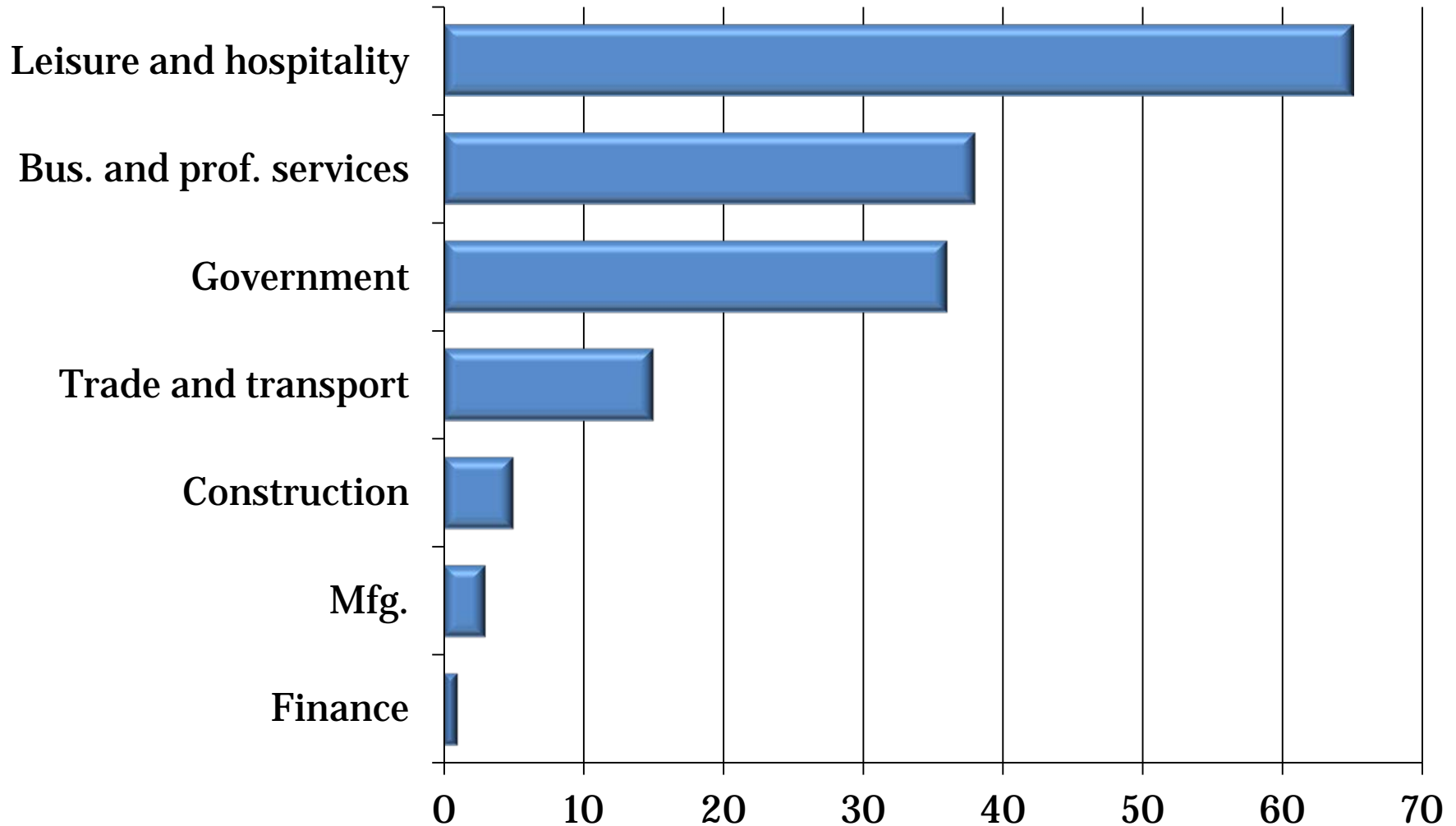
# California to Add More Jobs in 2012

December, change over prior year, thousands



# State's Recovery Varies by Sector

## Percent of 7/07 to 9/10 loss regained



# Summary/Conclusions

- Job creation improving
- Progress uneven
- Unemployment decline could stall
- Cyclical barriers to job growth
- Structural impediments



# ***Climbing Out of the Hole: Some Thoughts on San Diego Job Growth***

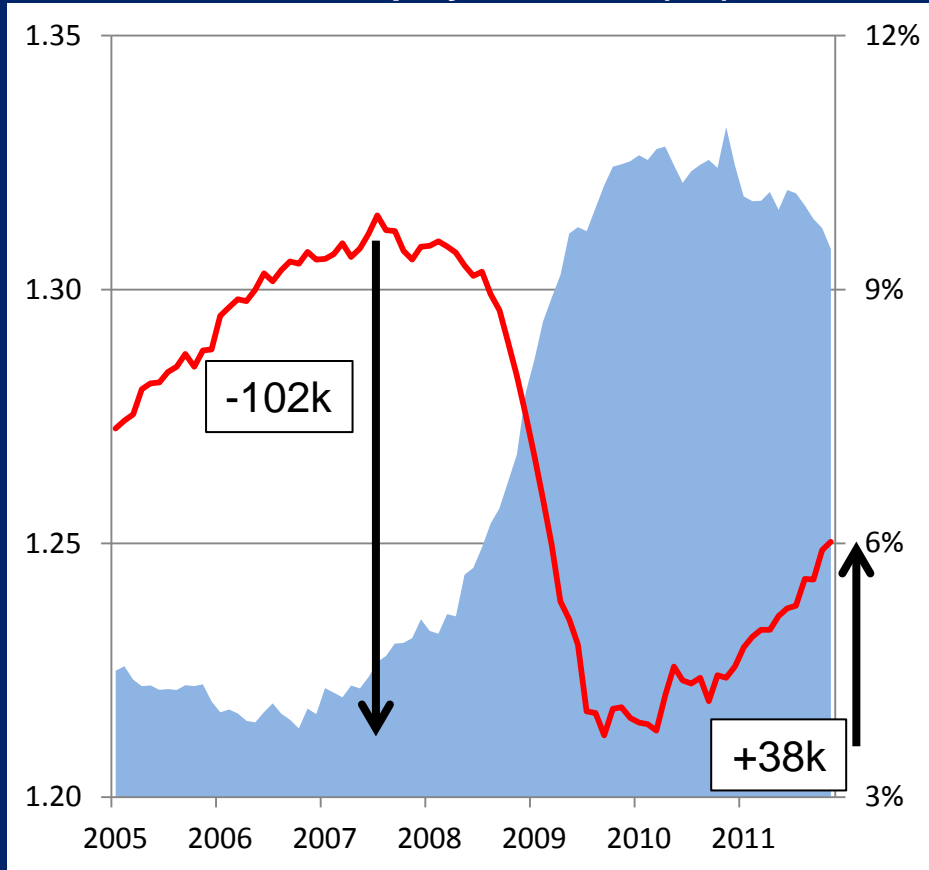
**Dr. Ryan Ratcliff**  
*Asst. Professor of Economics*

*Jan. 19, 2012*

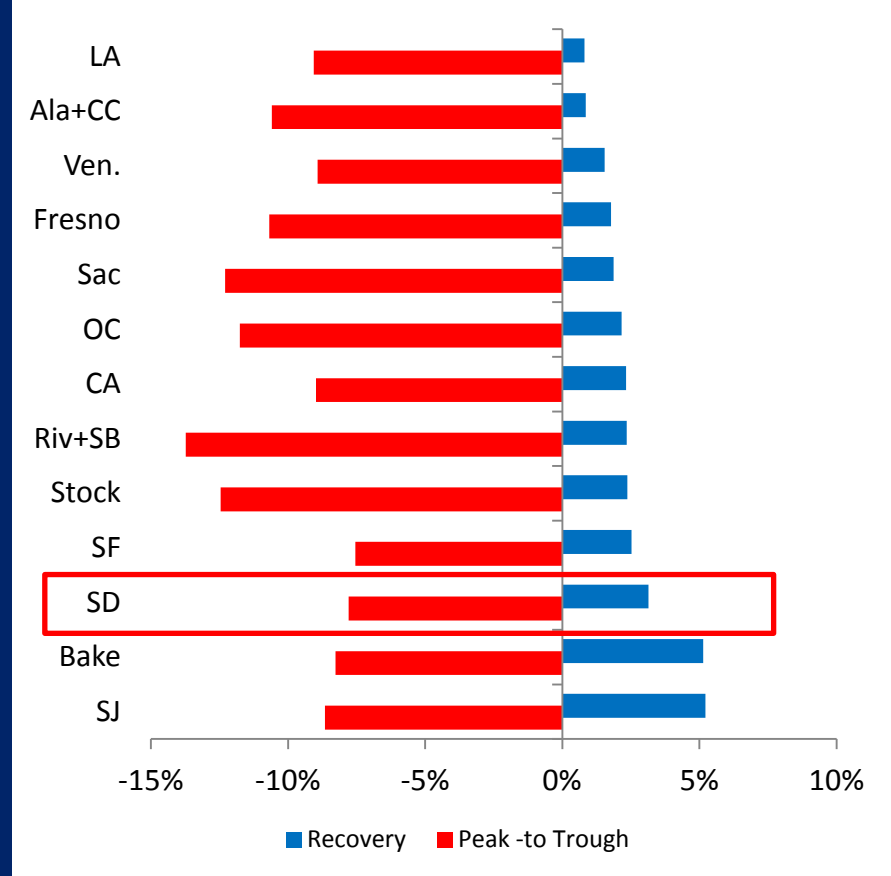
# The Big Jobs Hole

**SD growth ~2200 jobs/mo. → 2+ yr to get back to 2007 employment.  
We need 2x that growth to get 7% Unemp. Rate by Nov 2013**

SD NF Payroll Emp. (mil SA) &  
SD Unemployment Rate (SA)

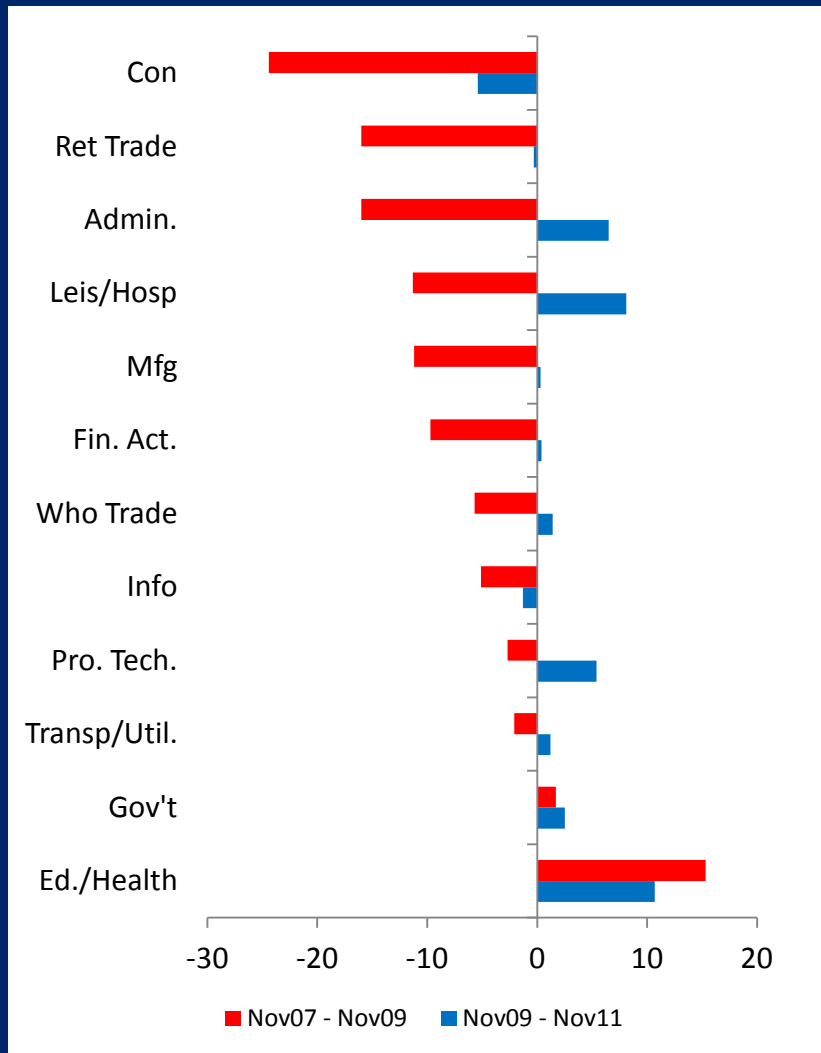


NF Payroll Growth by Metro



# ***SD Job Losses: Cyclical or Structural?***

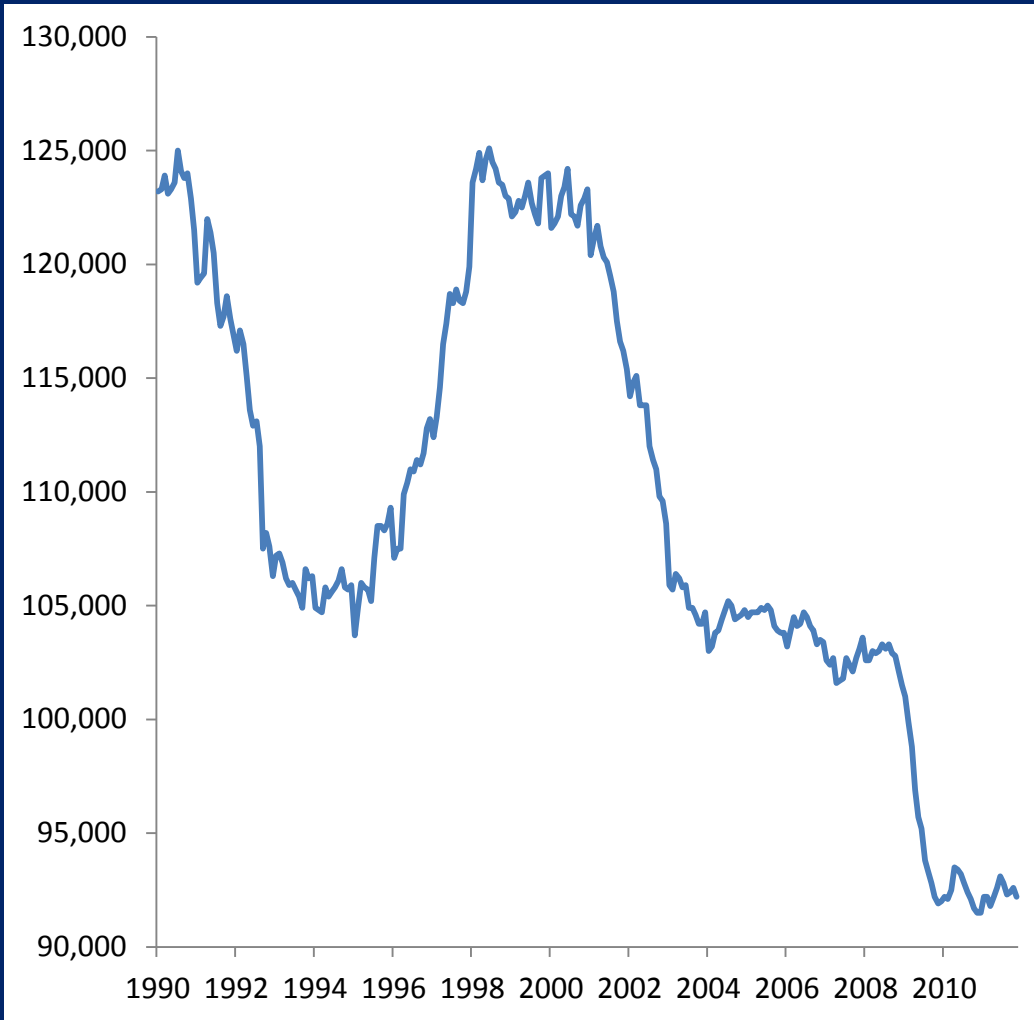
**SD Change in Jobs by Sector (1000s)**



- Biggest sources of recent job growth are Health Care, Bus. Services, and Tourism.
- Some of the biggest sources of job loss have yet to see any significant recovery: Construction, Retail, Mfg., Finance.
- Big question for the recovery is what share was cyclical: will these lagging sectors recover, or are these jobs gone for good?
- Retail, Transportation, etc. will come back as the US/CA economy recovers ... what about Mfg, Con, Fin Act.?

# ***SD Manufacturing***

**San Diego Manufacturing Employment**

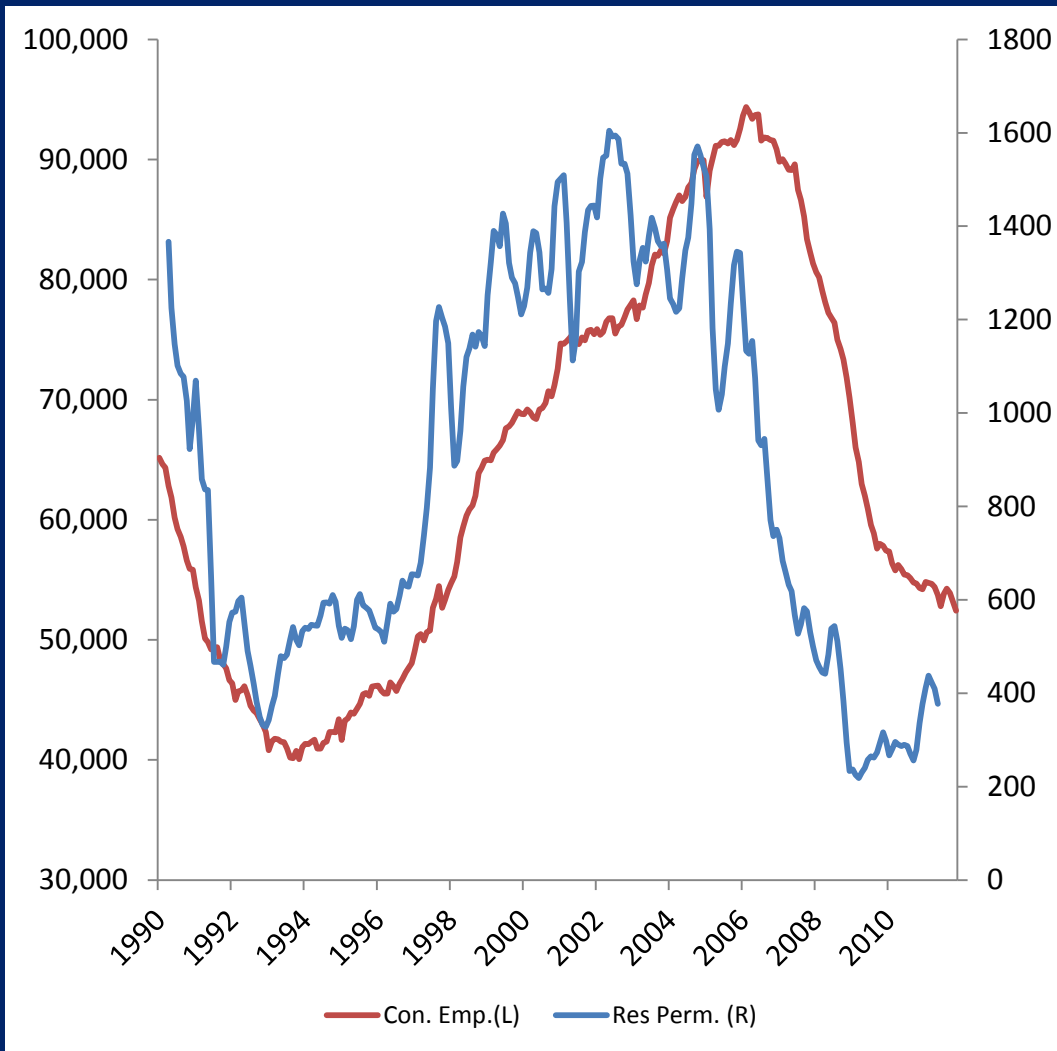


- Since 2000, SD Mfg mirrors US/CA trend of structural change: big job losses in recession, with few gains as the rest of the economy recovers.
- Specialized high-skill manufacturing/engineering will remain, but lower skill, standardized manufacturing based in SD has a significant cost disadvantage.



# ***SD Construction***

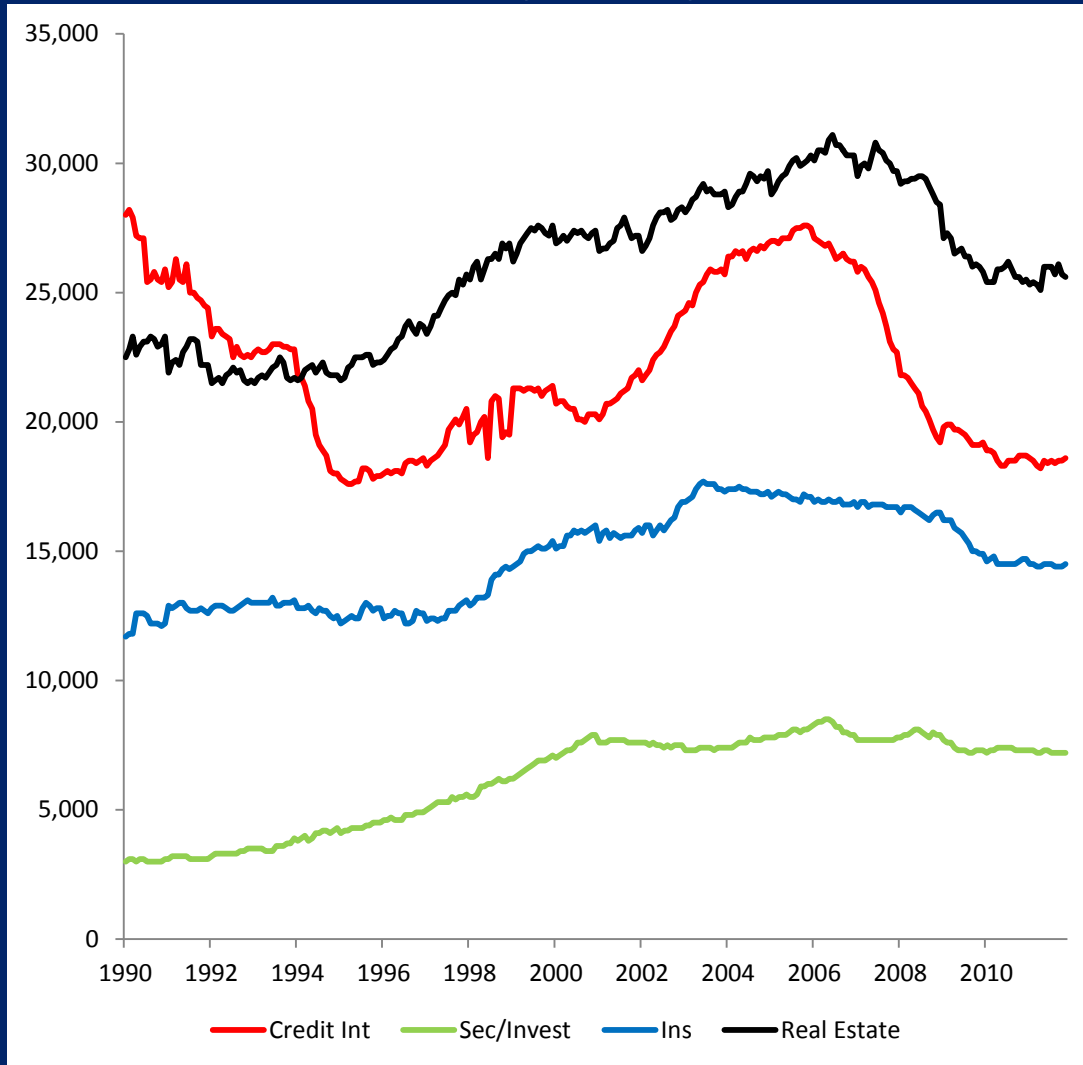
**SD Constr. Emp. & Res. Bldg. Permits (6mo MA)**



- SD Construction Emp. is closely tied to residential building permits, which are at 20 year low.
- Demographic demand plus an eventual end to competition from distressed resale homes mean eventually permits should return to average... someday.
- When building does return to normal, construction should add 10-15,000 jobs... but this won't happen until the housing markets normalizes.

# ***SD Financial Activities***

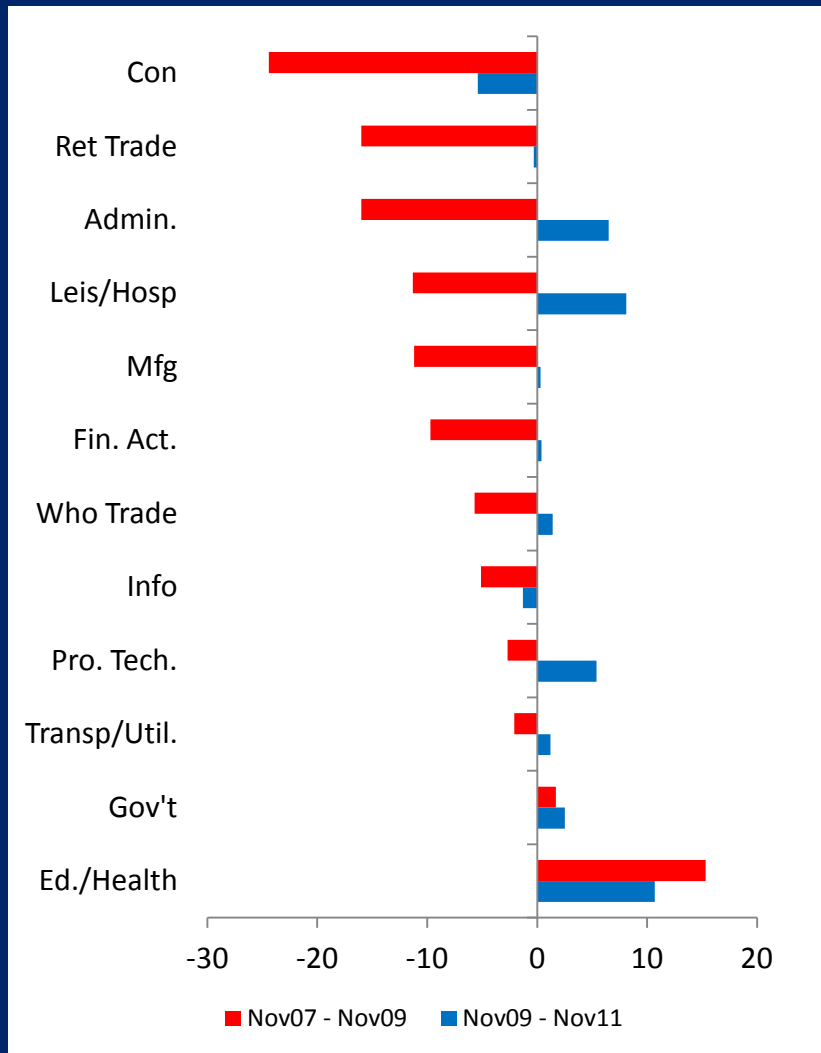
**SD Finance Employment by Sub-sector**



- Credit Intermediation: Banks & Other Lenders
- Securities & Investments: Brokers, Advisers, etc.
- Real Estate: Lessors, Prop Mgrs, full-time Brokers, Title Co., Appraisers, etc.
- After 2000, SD was not too far behind OC in “non-bank mortgage lending” employment growth. These jobs are probably not coming back.
- Some of the Real Estate jobs will come back when sales return to more normal levels.

# Recap

SD Change in Jobs by Sector (1000s)

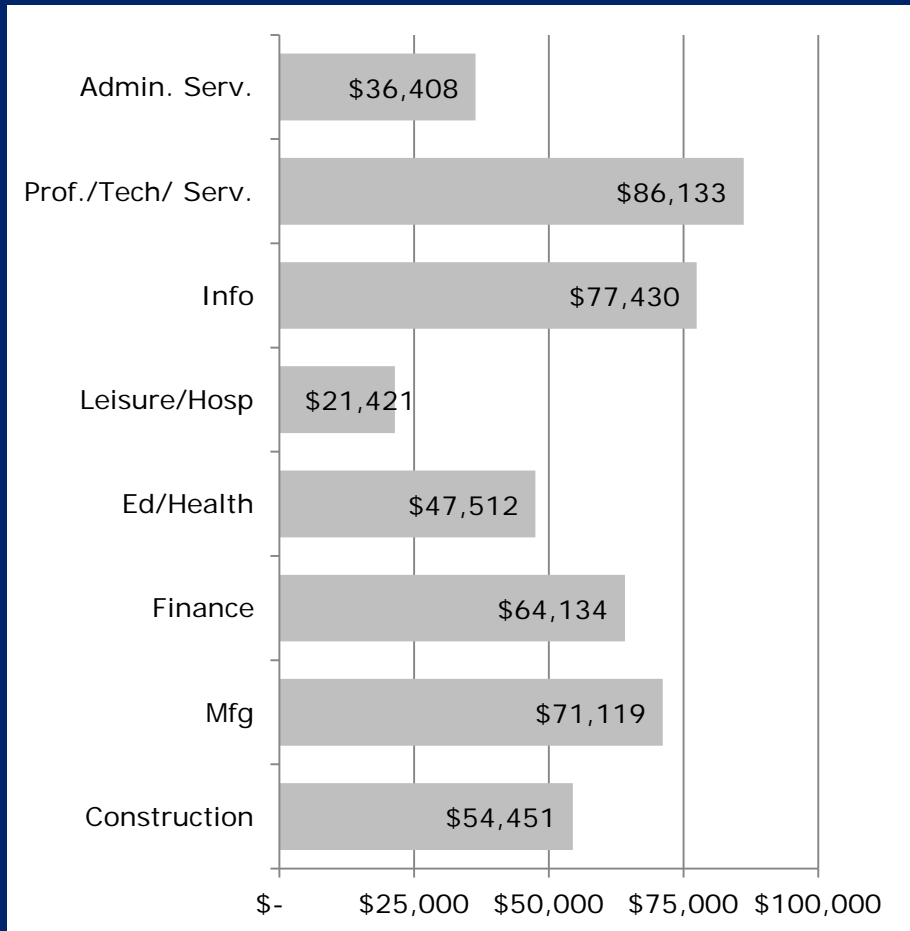


- SD is showing signs of recovery in local strengths: Health Care, Prof./Tech. Services, and Tourism.
- Of the biggest sources of job loss during the recession, some sectors will likely not recover (Mfg, non-bank mortgage finance)
- Other weak sectors will eventually recover, once the housing market normalizes (Construction, Real Estate).
- The small gains in Gov't mask a nasty truth: gains in Fed. Employment have offset big butts at state/local level. And more state/local gov't job cuts on the way...

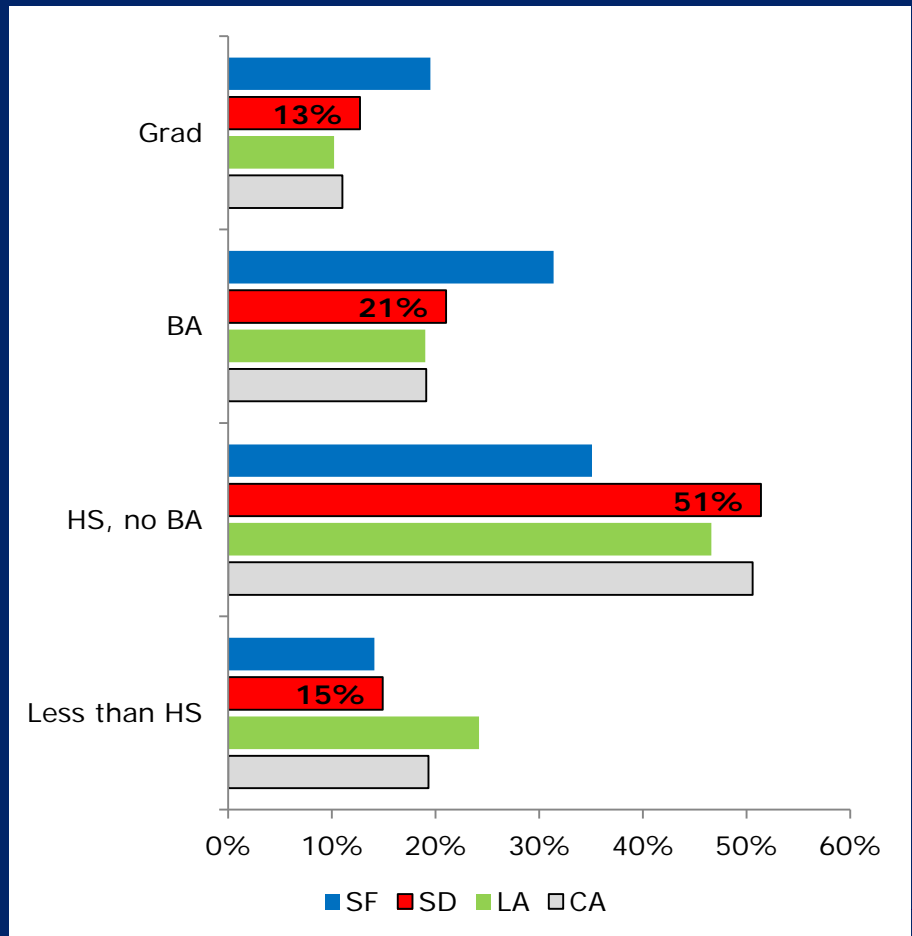
# One Final Thought...

**SD has a high share of population with BA+. But well-paying jobs for the over 50% w/o a BA (e.g. Mfg./Constr.) will be hard to find...**

2010 SD Average Ann. Salary by Industry



2010 Educational Attainment, Share of Pop.





# **2012** **Economic Outlook**

**Marney Cox**  
**Chief Economist**  
**San Diego Association of Governments**  
**January 19, 2012**

# Big Picture

## State of the Recovery

### Three Key Growth Trends

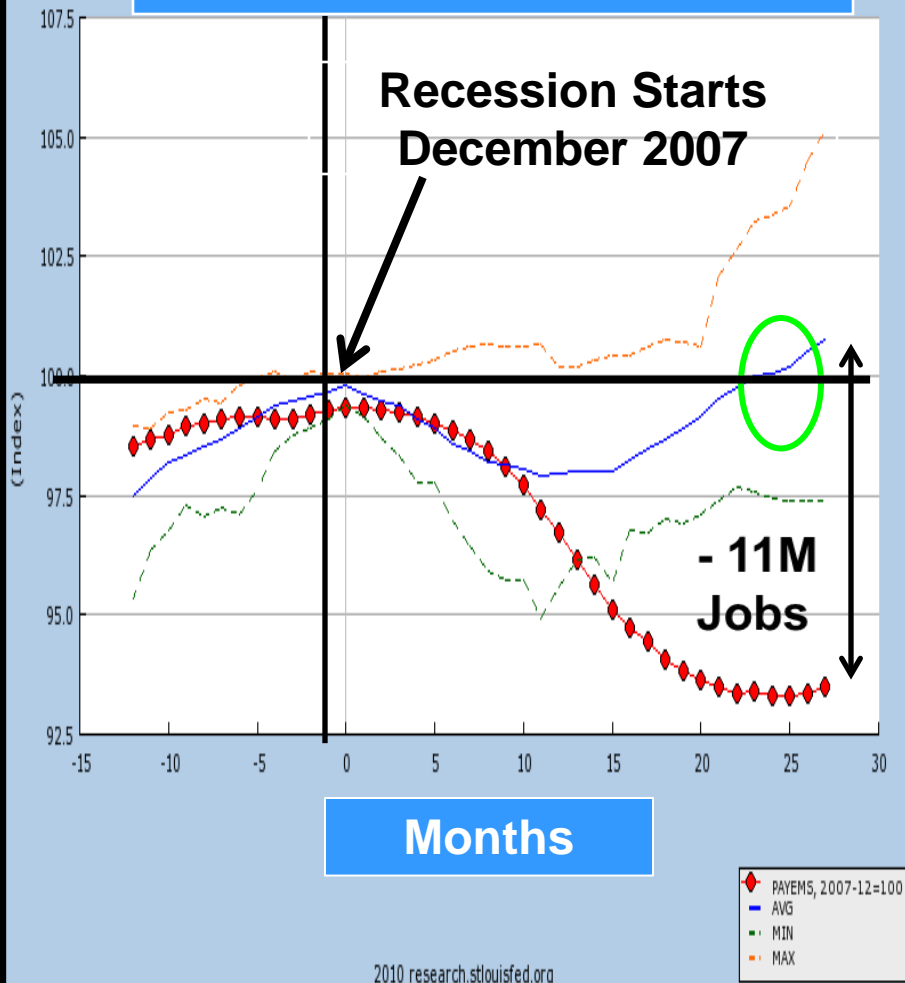
- Jobs
- Disposable Income
- Consumption Expenditures



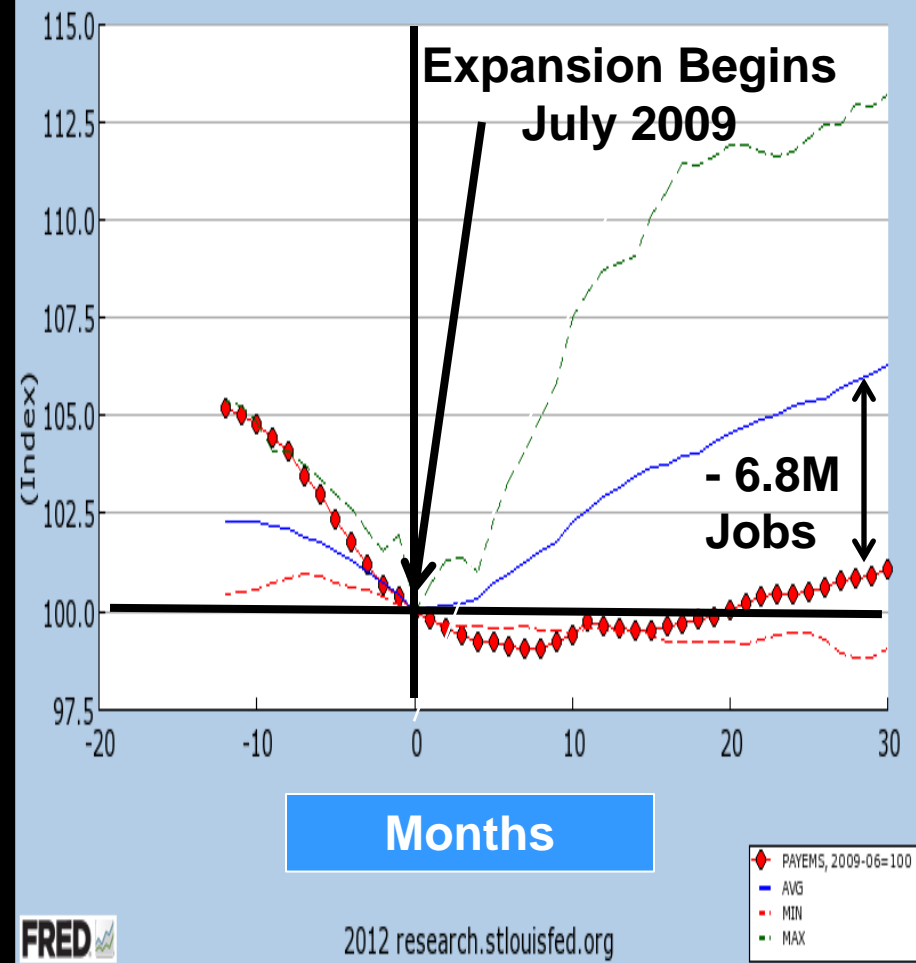
# US Change in Payroll Jobs

## Steep Drop & Slow Rebound

During Recession



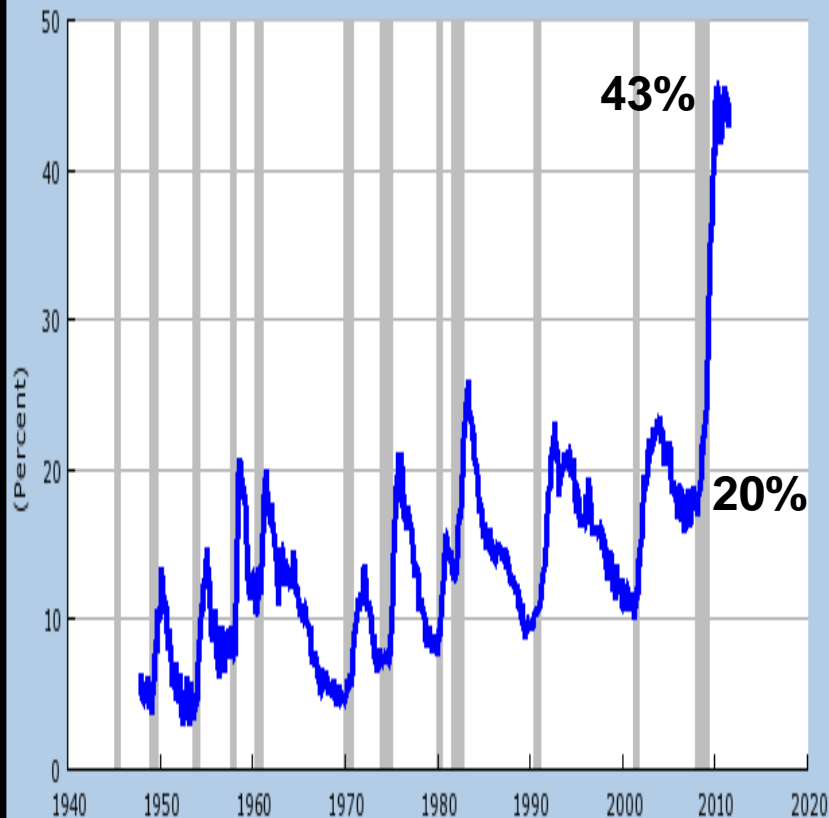
During Expansion



# US Effects of Slow Job Growth

Until U Falls Expect More Stimulus Policies

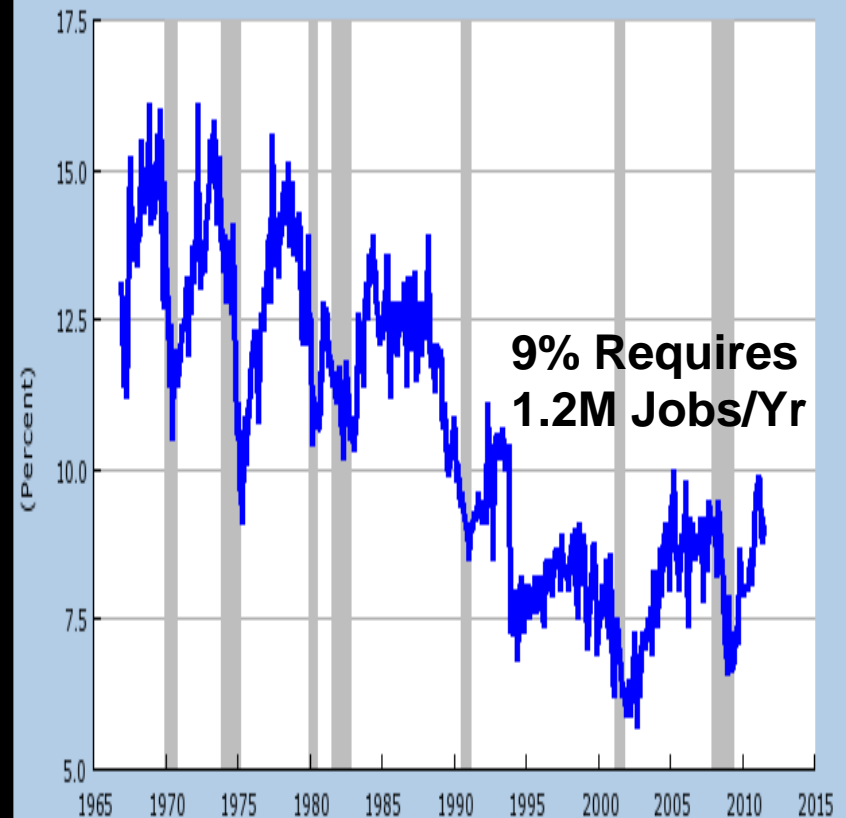
% Unemployed 27 Weeks or More



Years 1950-2011



% New LF Entrants of Unemployed



Years 1965-2011





# US Change in Disposable Income

## Slow Rebound-Gap Widening

### During Recession



### During Expansion

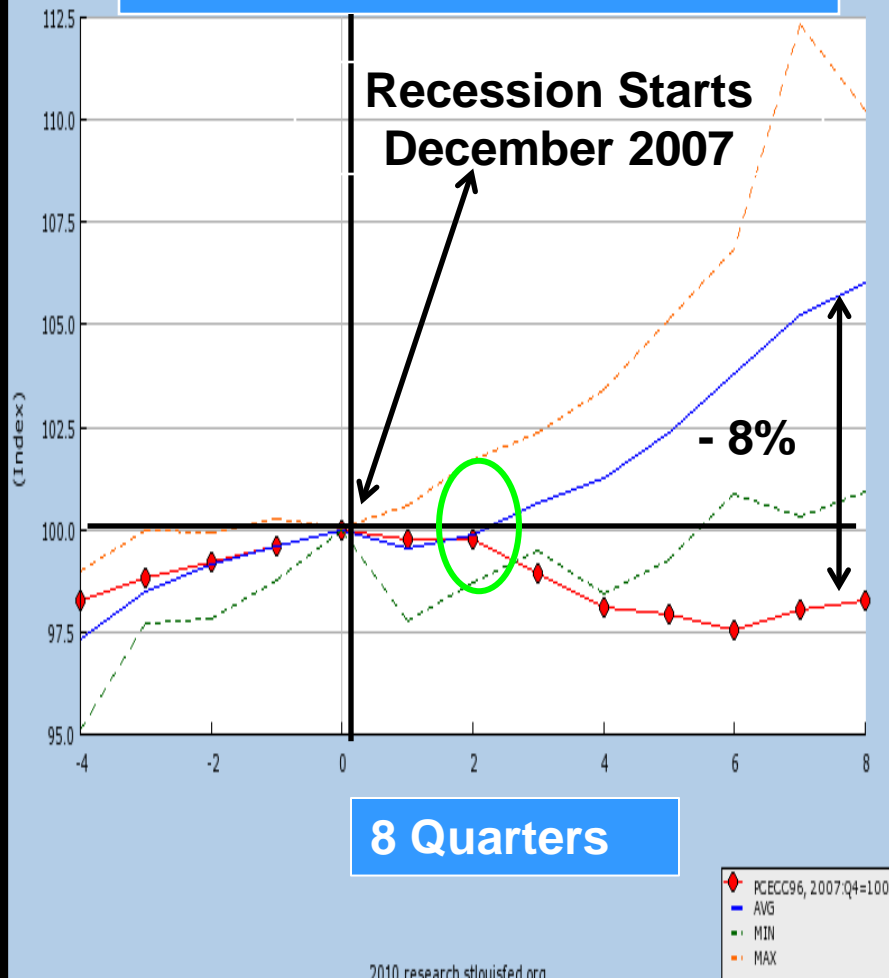


# US Change in Consumer Consumption

Consumption Represents 70%+ of GDP

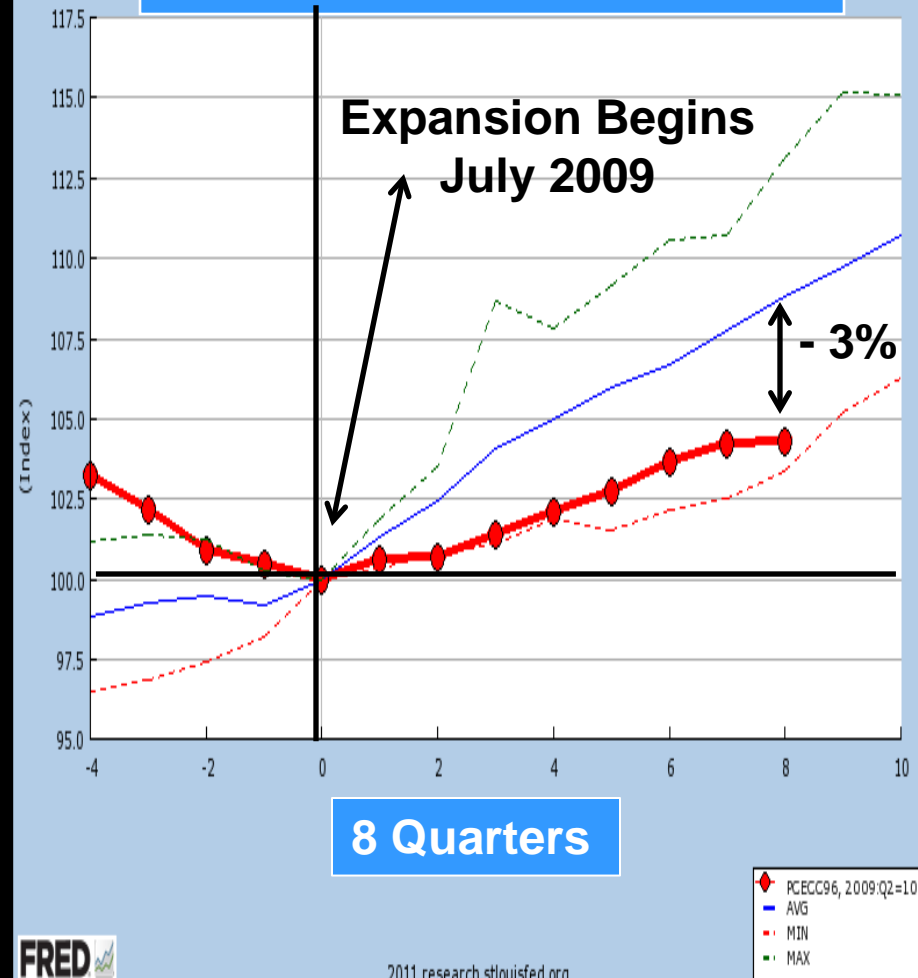
## During Recession

**Recession Starts  
December 2007**



## During Expansion

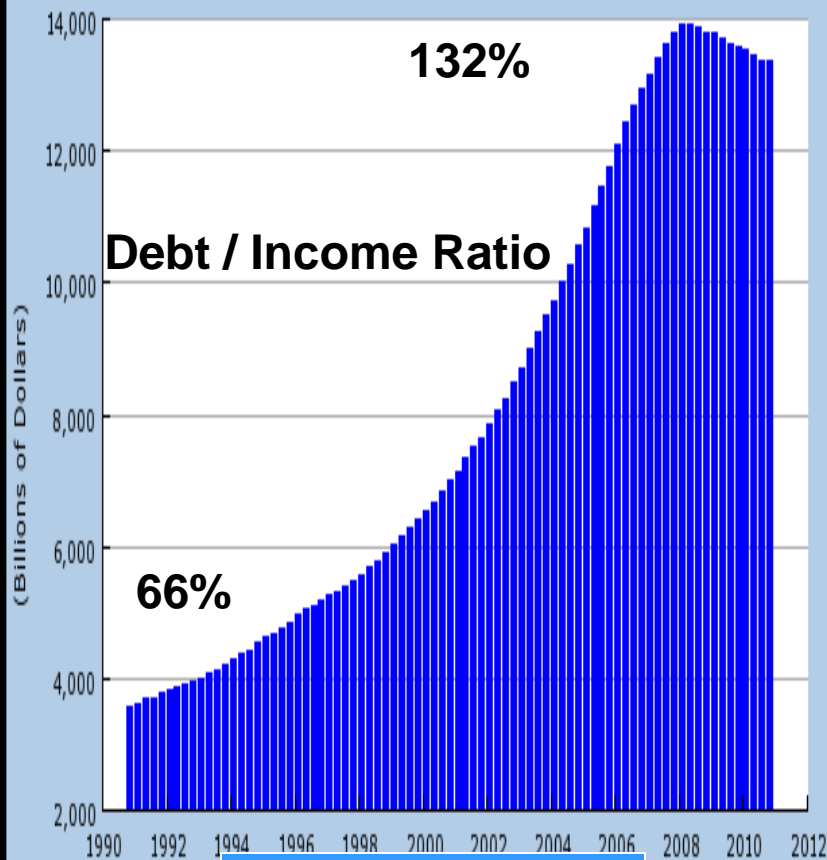
**Expansion Begins  
July 2009**



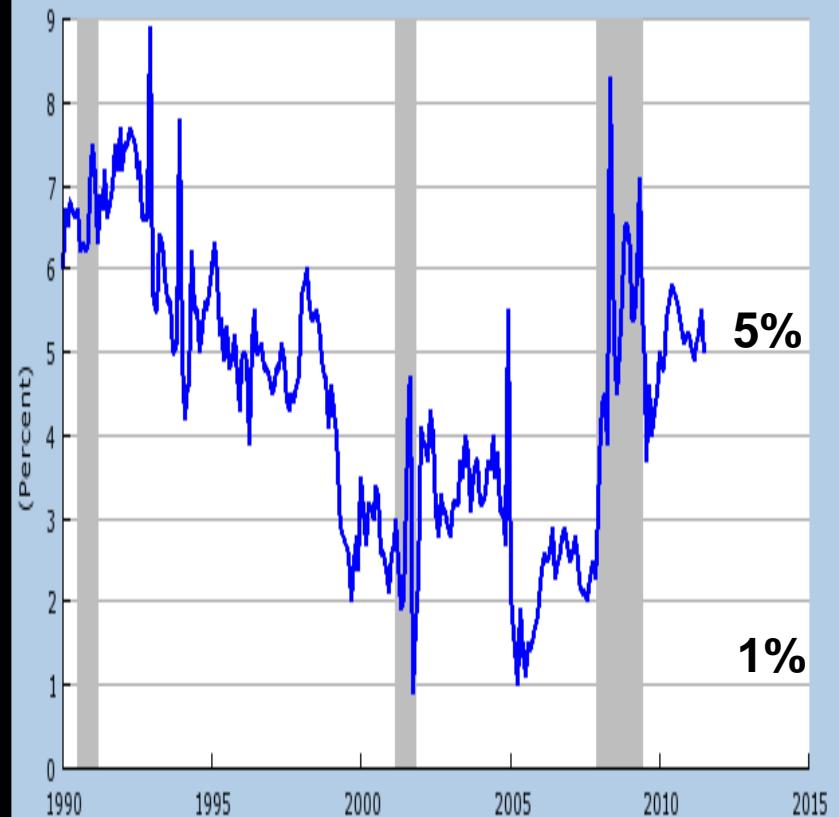
# US Why Slow Consumption Growth?

## Consumer Spending too High?

### Household Credit Debt Outstanding



### Personal Savings Rate



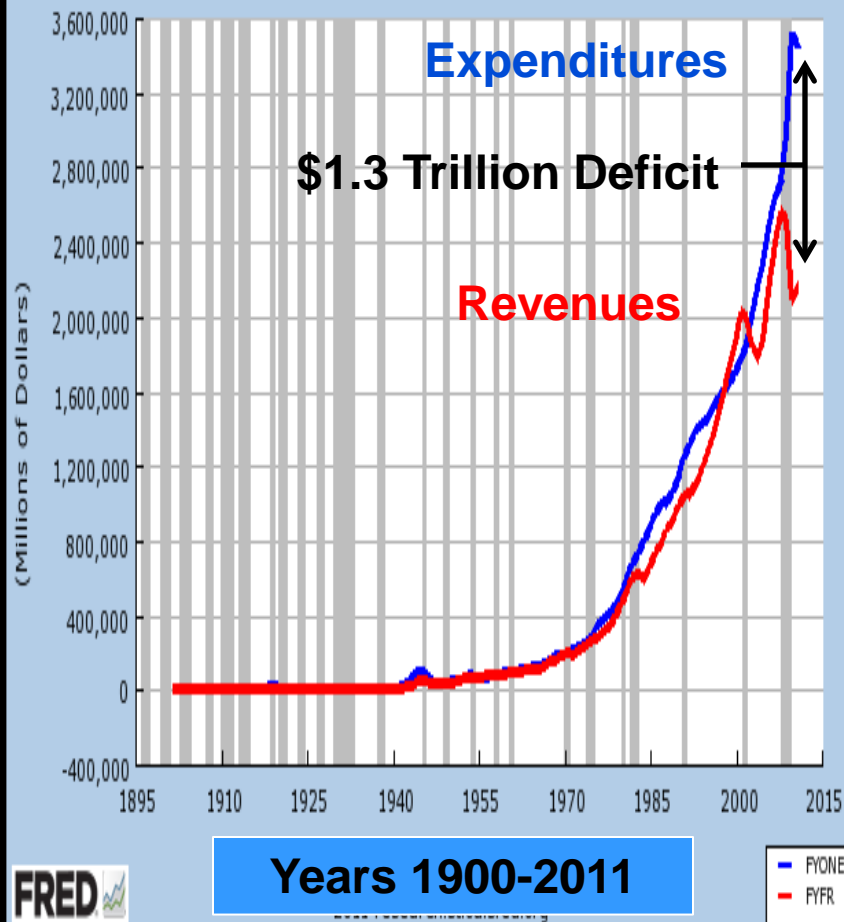
# Attempts to Stimulate Growth Have They Worked?

- Increase Deficit Spending
- Increase Loanable Funds
- Lower Interest Rates

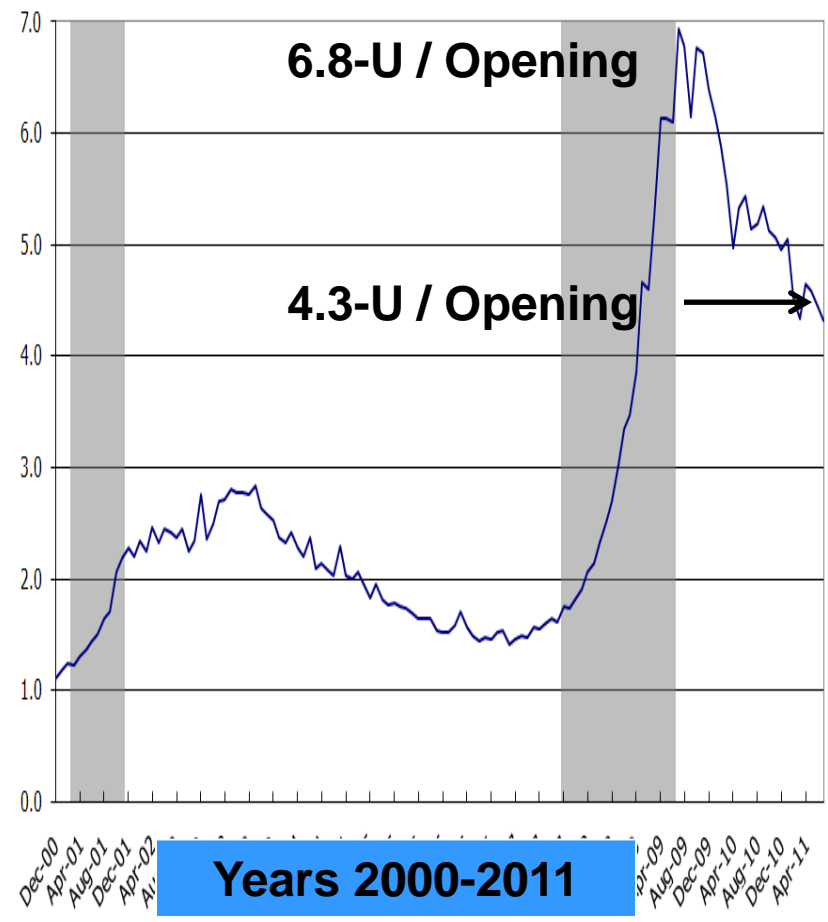
# US Deficit Spending & Job Openings

## Attempt to Stimulate Growth (1)

### Federal Revenue & Expenditures



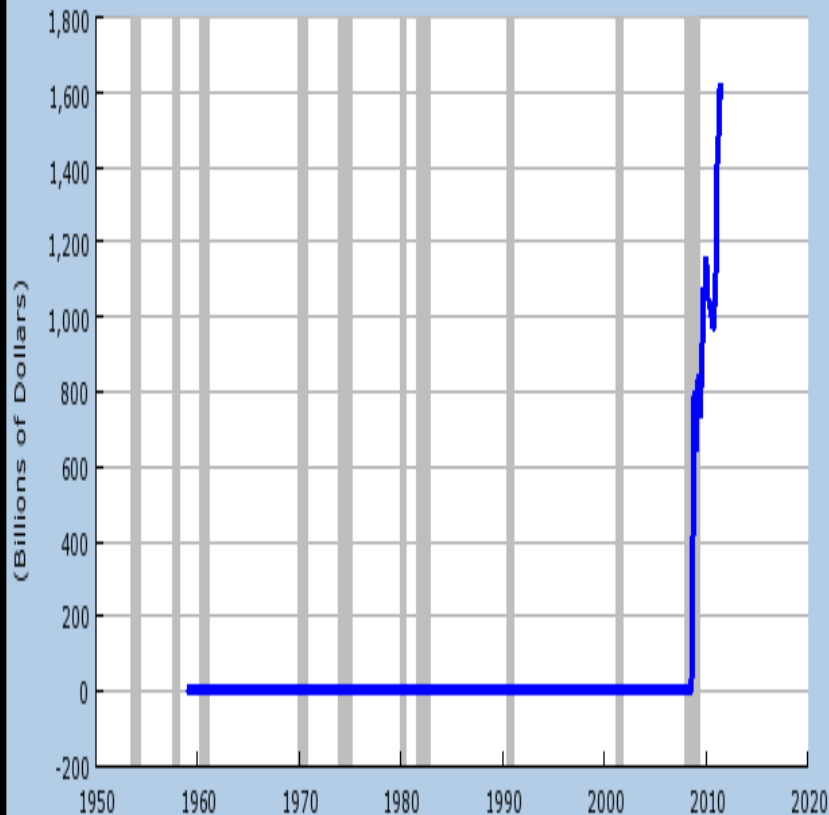
### Unemployed Per Job Opening



# US Loanable Funds & Loans

## Attempt to Stimulate Growth (2)

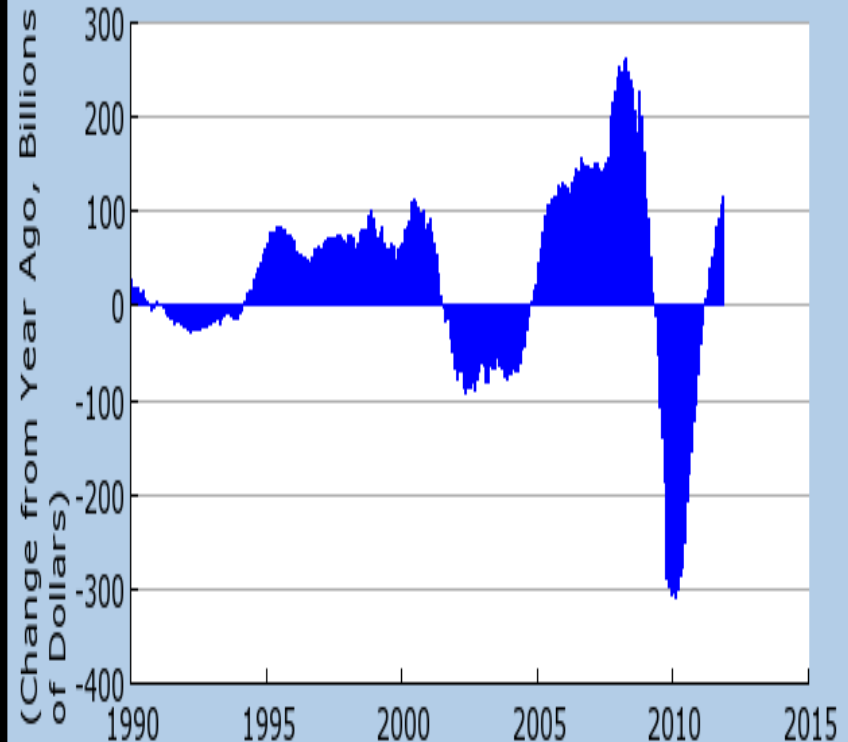
### Excess Bank Reserves



Years 1960-2011

### Business Loans Y-O-Y Change

Source: Board of Governors of the Federal Reserve System

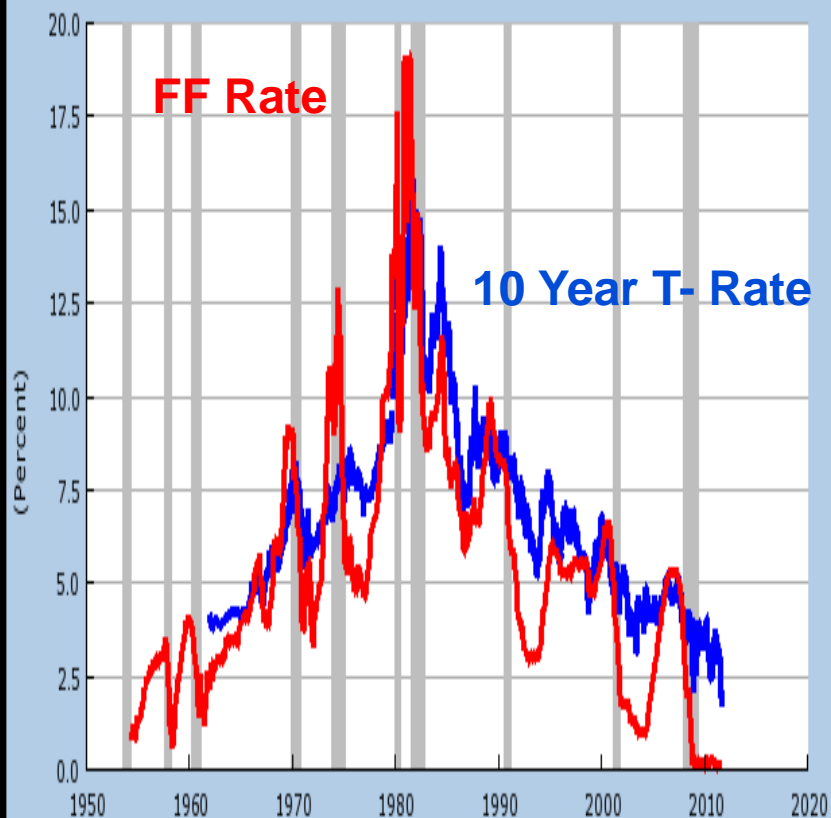


Years 1990-2011

# US Interest Rates & Housing Starts

## Attempt to Stimulate Growth(3)

### Federal Reserve Interest Rates



FRED

### New Housing Starts



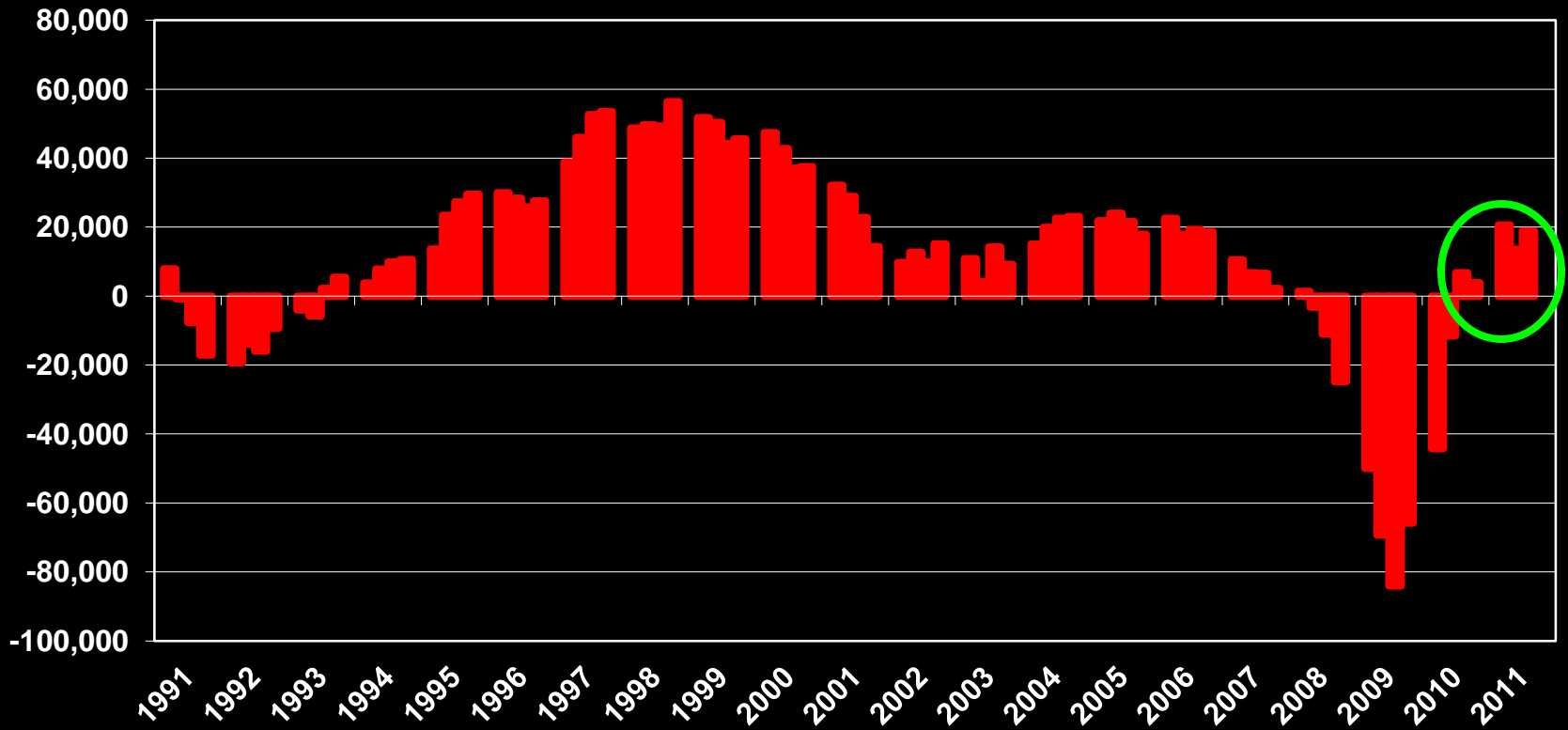
FRED

# Local Labor Market Concerns



# SD Payroll Jobs

## Change Y-O-Y by Quarter 1991-2011 Q3



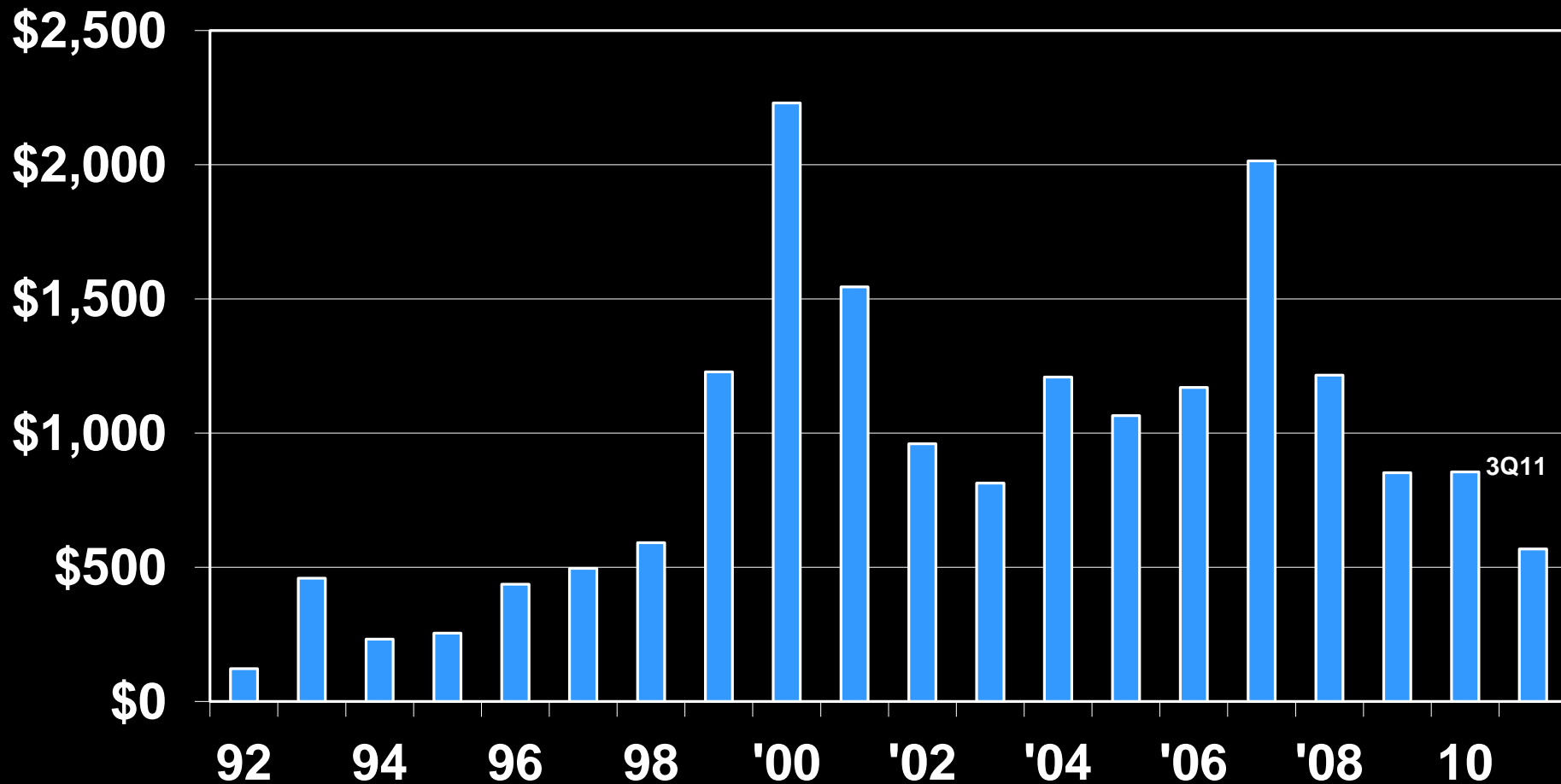
# SD Job Change Following 90s & 07 Recession

## Percent of Change in Jobs, First 6 Months of Job Growth

	1993	2010
<b>Job Growth/Decline</b>	<b>11,600/-4000</b>	<b>27,600/-15,700</b>
Professional Services	+ 28%	+ 37%
Government	+ 20%	+ 23%
Education & Health Services	+ 18%	+ 19%
Finance	- 75%	- 17%
Construction	+ 7%	- 45%
Information	+ 10%	- 25%
W & R Trade	+ 15%	- 13%

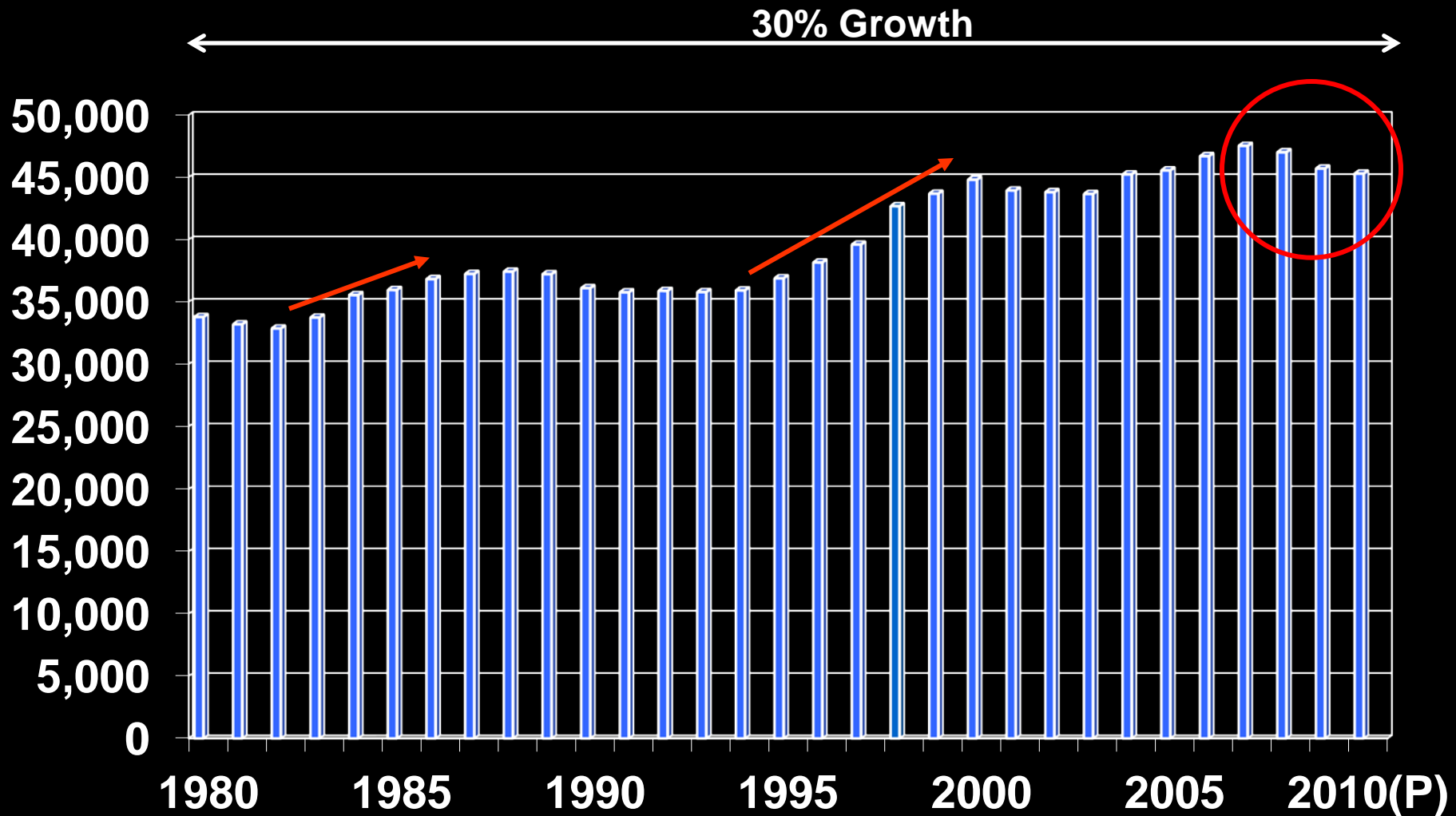
# SD Venture Capital Funds

Resources for High Tech Jobs, M\$ per Year



# SD Per Capita Income

Real 2009\$, 1980 – 2010



# 2012 Outlook Summary

“Slower Growth in 2012”

- **National / International**
- No Double-Dip, Not Out of Woods
- Headwinds to Robust Growth
  - Jobs, consumption, income, Europe
- Fiscal & Monetary Policy-Working?
- **San Diego**
- Job Growth 1%; U-rate 8.5%
- Home Price -5%; -Ownership Rates
- Defense-Military Cutbacks?

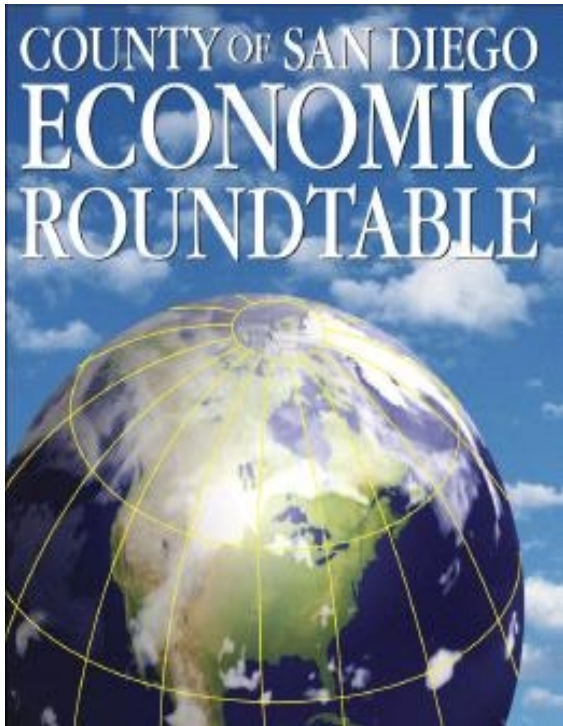






# **2012** **Economic Outlook**

**Marney Cox**  
**Chief Economist**  
**San Diego Association of Governments**  
**January 19, 2012**



# 15 MINUTE BREAK

<http://www.sdcountry.ca.gov/economicroundtable/>



County of  
San Diego

SAN DIEGO  
**WORKFORCE**  
**PARTNERSHIP®**



THE SAN DIEGO  
**UT**  
UNION-TRIBUNE





# Predicting the Real Estate Upturn?

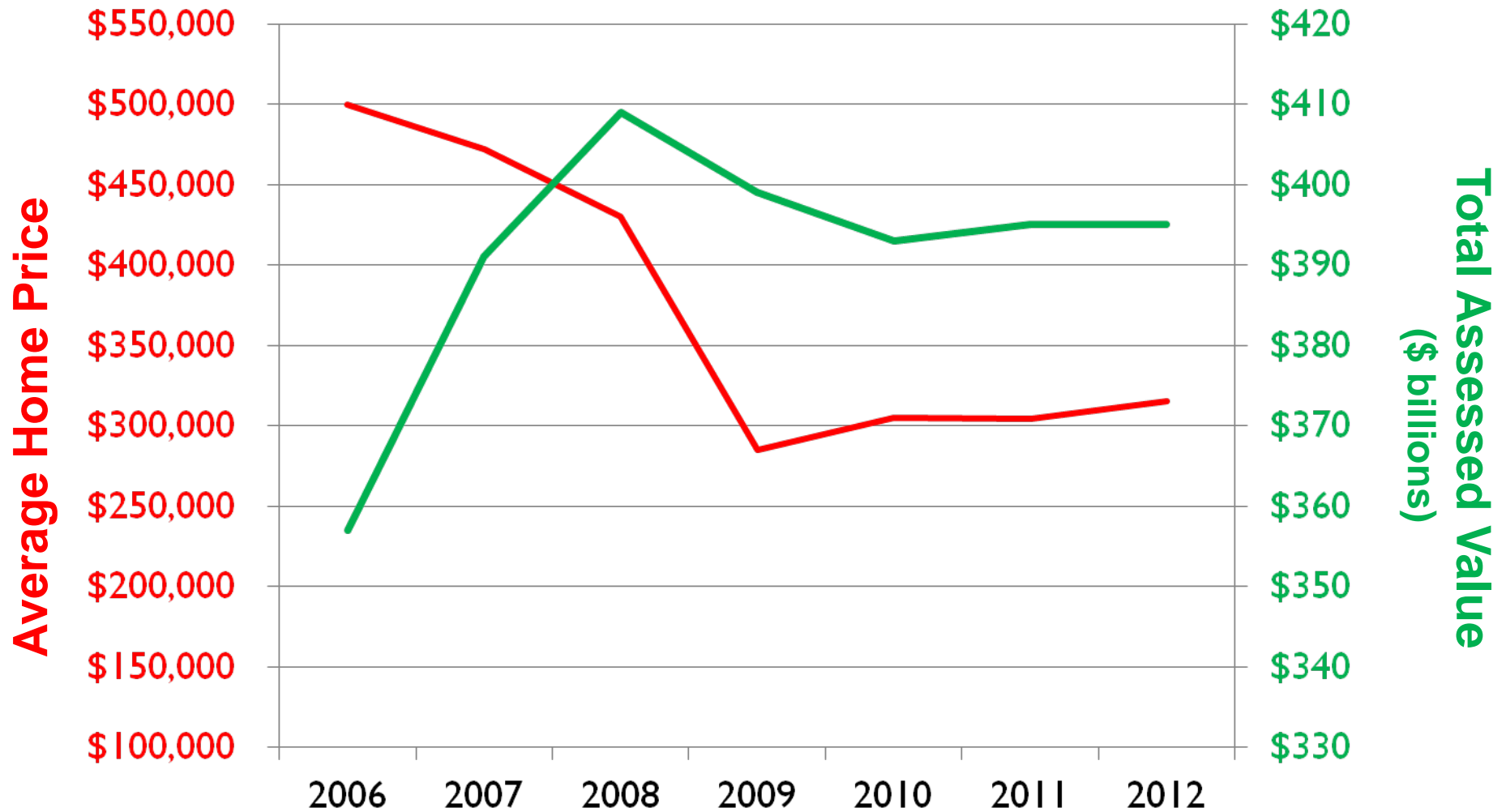
Ernest J. Dronenburg Jr.

County of San Diego

Assessor/Recorder/County Clerk



# Average Home Price vs. Total Assessed Value



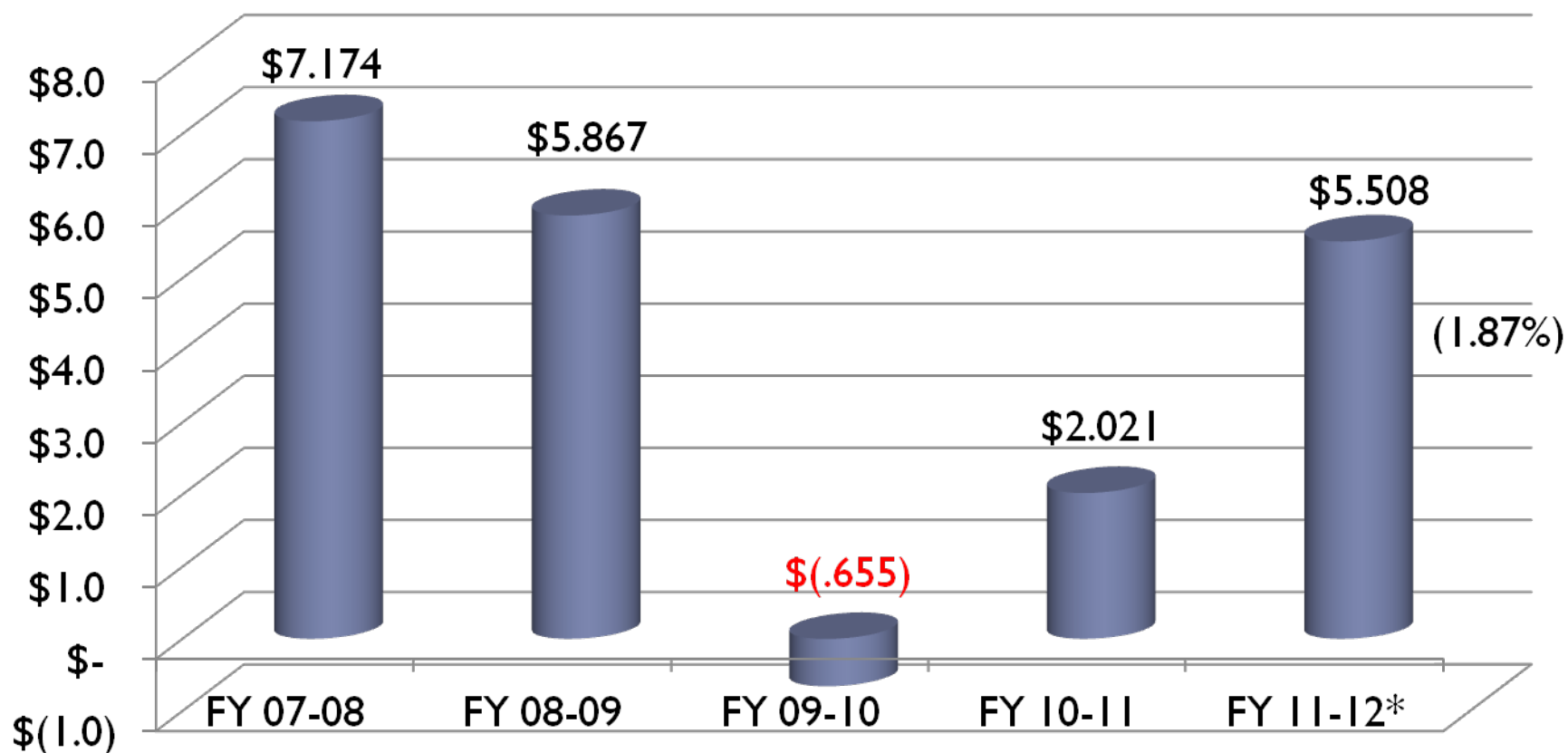
# Key Elements of the Change in the Annual Property Tax Roll

---

- ▶ Properties with Prop 13 base indexing
- ▶ Properties that have changed ownership
- ▶ Properties that completed construction this year
- ▶ Unsecured properties changes
- ▶ Properties with Prop 8 reduction, and appeals
- ▶ Miscellaneous roll reductions

# Prop 13 Base Indexing- \$5.508b

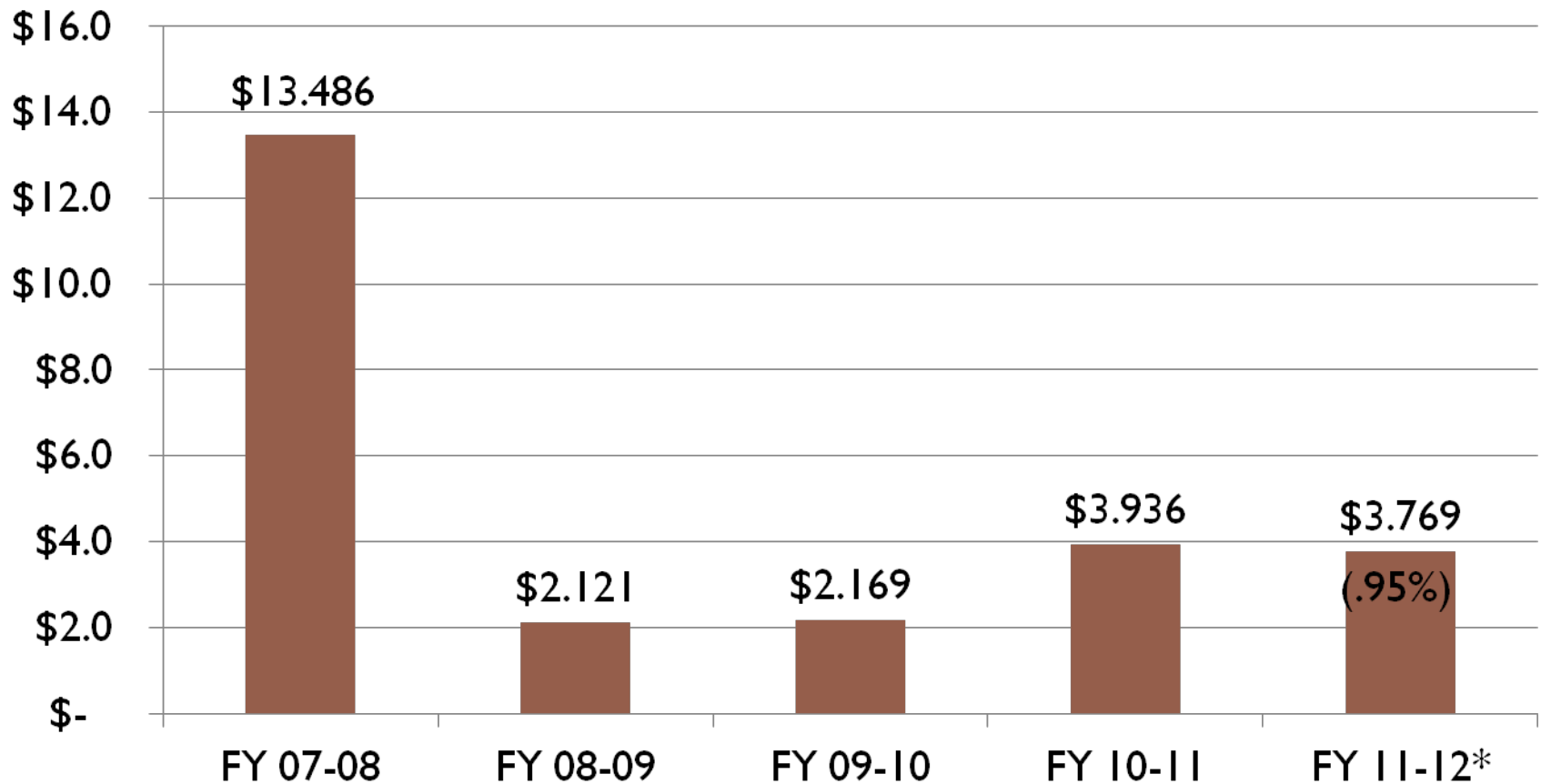
## Prop 13 Base Indexing (billions)



\* projected

# Properties that Changed Ownership- \$3.769b

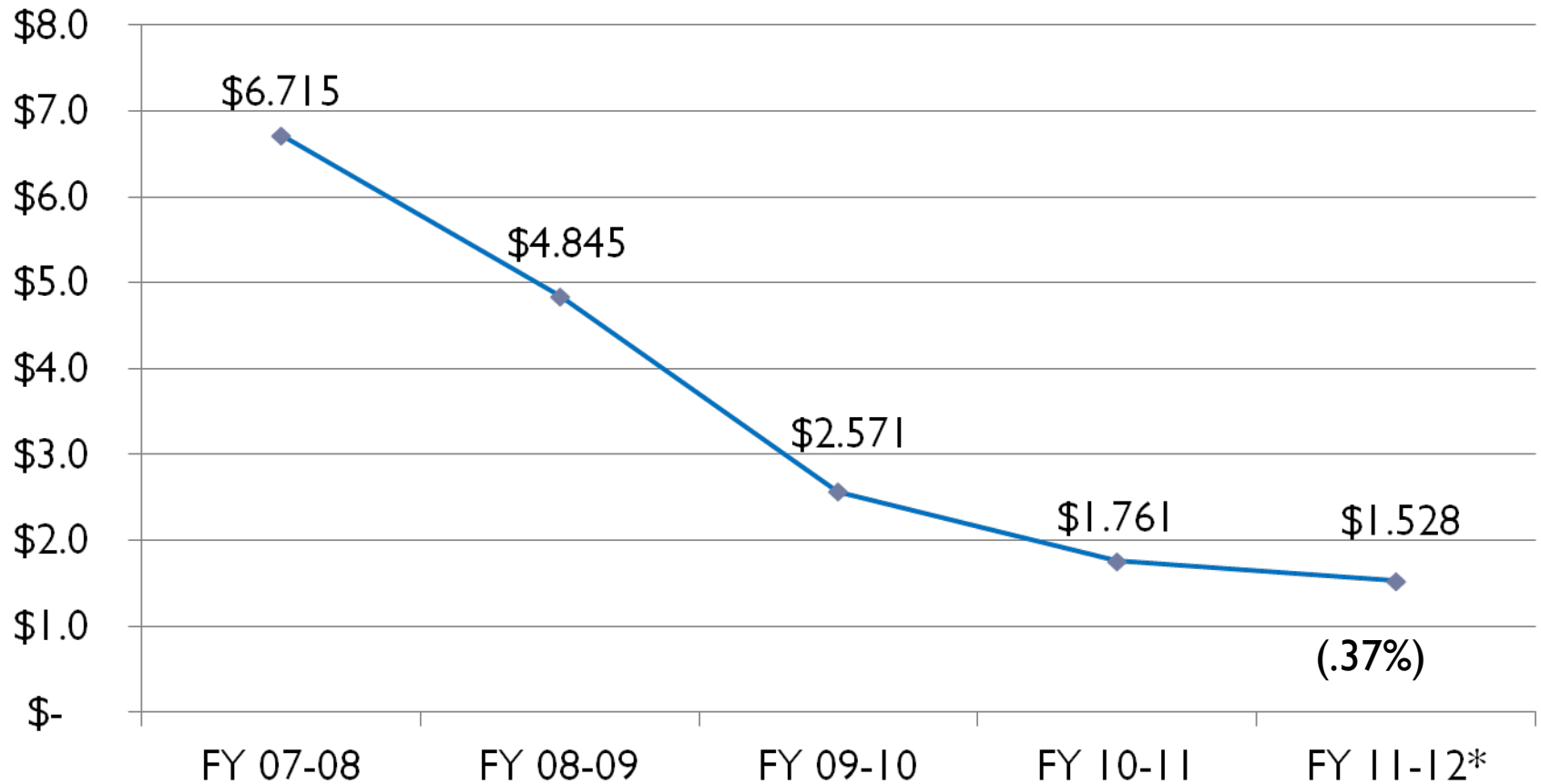
## Ownership Change (billions)



\* projected

# Properties that have Completed Construction - \$1.528b

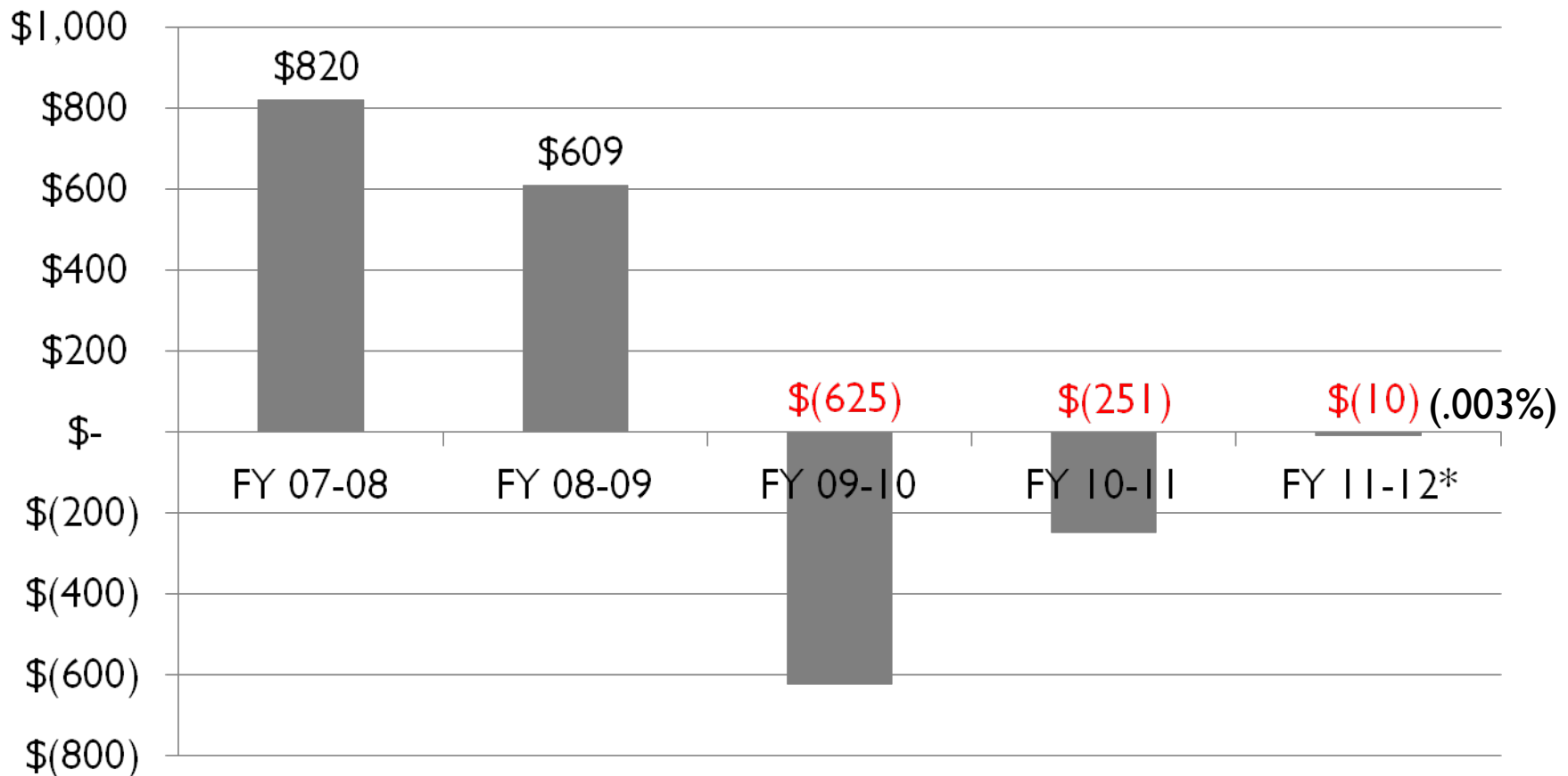
## Completed Construction (billions)



\* projected

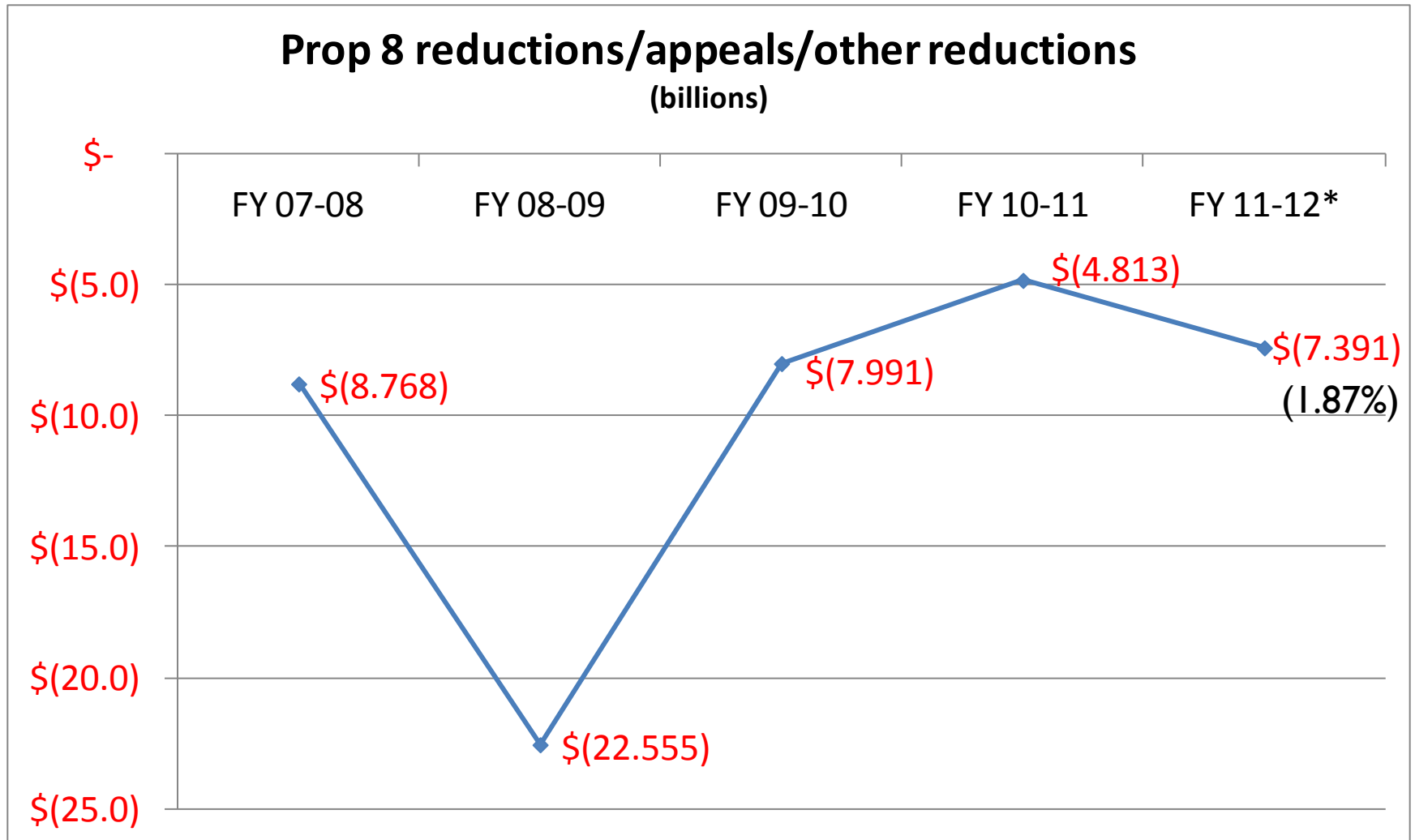
# Unsecured Properties Assessed Value Changes - \$(10)m

## Unsecured Properties Changes (millions)



\* projected

# Properties with Prop 8 Reduction, and Appeals Finalized - \$7.391b



\* projected

# Estimated Fiscal Year 2012-13 Tax Roll Value

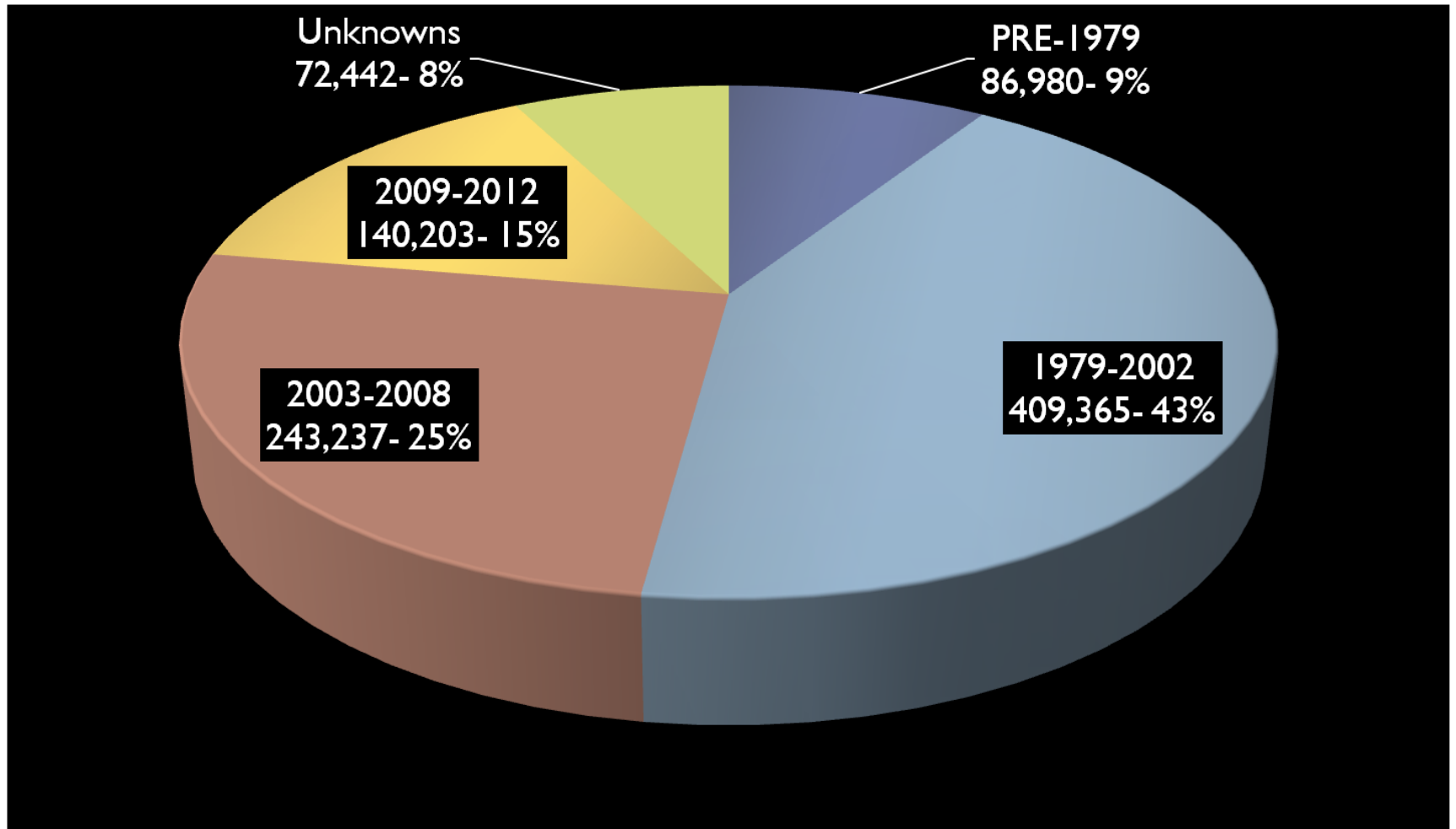
Changes	2012-13 Estimated Total
Prop 13 Base Indexing	\$ 5.508 B
Changed Ownership	\$ 3.769 B
Construction Completed	\$ 1.528 B
Unsecured Properties Changes	\$ (10 M)
Prop 8 Reductions/Appeals/Other Reductions	\$(7.391B)
Other Properties	\$(1.025B)
Estimated Total	\$2.379 B (a)

(a) \$2.379B is .60% of \$395.706B total Fiscal Year 2011-12 Assessed Value



# Number of Base Year Value Established Upon Last 100% Change in Ownership

---



# Level of Confidence in Our Prediction

---

▶ Prop 13 Base Indexing (2% factor)	100%
▶ Changed Ownership (60%)	100%
▶ Construction completed (25%)	90%
▶ Unsecured Properties	50%
▶ Prop 8 reduction and appeals	85%
▶ <u>Other Properties</u>	<u>90%</u>
▶ Overall Weight Average	95% (a)

(a) Downward bias

# Predicting .....This Year and Beyond

---

- ▶ This year on June 30 Tax Roll
  1. 2012-13: **0% change** in total Assessed Value
  2. Prop 13 bases up 2% (69% of property) CCPI 2+%
  3. A continue in the downward adjustments for properties purchased between 2005 and 2009
  4. Residential **down 2%** and **Commercial even**

# Residential and Commercial

---

- ▶ Property Values This year and Beyond....
- ▶ This year **down 2%**

**Beyond** a slow **upward increase** in values the next 5 to 7 years

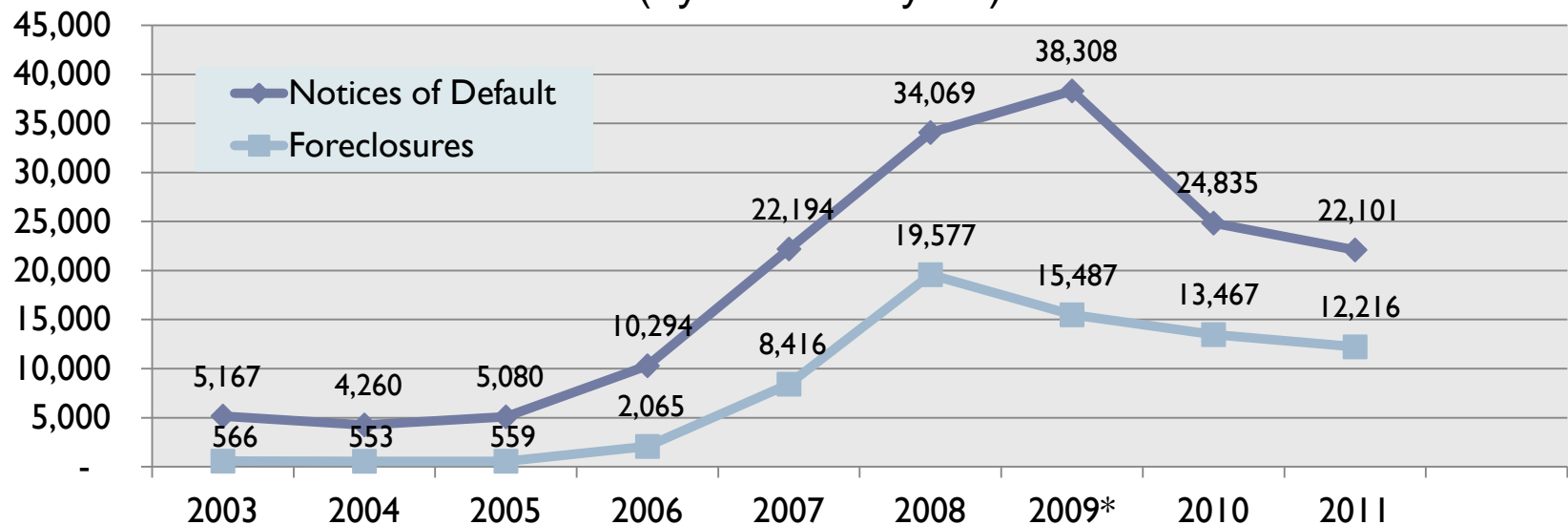
- ▶ 1. Depressed priced inventory – Phomtom inventory
- ▶ 2. Due to demographic changes
- ▶ 3. Slow GDP growth
- ▶ 4. Change in product choices

# Historical Notices of default & Foreclosures

## Notices of Default (NODs) and Foreclosures:

- 2010 to 2011: Foreclosures decreased 9%; Notices of Default decreased 11%
- 2009 to 2010: Foreclosures decreased 13%; Notices of Default increased 35%

**Historical NODs and Foreclosures**  
(by calendar year)



\* Senate Bill 1137 passed in September 2008, requiring lenders to physically contact borrowers prior to filing a NOD impacted the number of foreclosures from March – May 2009.

# ARCC Services

---

- ▶ Property Valuation
- ▶ Research of Real Estate Documents and Maps
- ▶ Recording Real Estate Documents
- ▶ Vital Documents/Records: Birth, Death or Marriage Certificates
- ▶ Establishing and Recording of Fictitious Business Names
- ▶ Marriage Licenses and Ceremonies

# Thank You

---

- ▶ Please visit us at [www.sdarcc.com](http://www.sdarcc.com) or any of our 5 locations:

- ▶ Downtown San Diego
- ▶ El Cajon
- ▶ San Marcos
- ▶ Chula Vista
- ▶ Kearny Mesa



Ernest J. Dronenburg, Jr.  
Assessor/Recorder/County Clerk  
1600 Pacific Highway Room 110  
San Diego, CA 92101 (619) 531-5507  
[Ernest.Dronenburg@sdcounty.ca.gov](mailto:Ernest.Dronenburg@sdcounty.ca.gov)

# **JOB GROWTH & OPPORTUNITIES IN HEALTHCARE IN SAN DIEGO**

**San Diego County Economic Roundtable  
January 19, 2012**

**Steven A. Escoboza  
President/CEO  
Hospital Association of  
San Diego & Imperial Counties**



**HOSPITAL ASSOCIATION**  
of San Diego and Imperial Counties



# Quick Glimpse – Healthcare Employment

Nationwide, the healthcare industry created 22,600 jobs in December – 314,700 for all of 2011.

The healthcare sector accounted for nearly 1 of every 5 new jobs in the overall economy, Bureau of Labor Statistics shows.

Hospitals created 9,800 new jobs in December, and 89,100 jobs in 2011 – more than double the 37,300 jobs hospitals created in 2010.



# Quick Glimpse – Healthcare Employment

More than 14.2 million people worked in the healthcare sector at the end of 2011 – 4.8 million in hospitals and more than 6.2 million jobs in ambulatory services, which includes 2.3 million jobs in physicians' offices.

The 314,700 jobs created by healthcare represent 19% of the 1.6 million jobs created in the overall economy in 2011.



# Quick Glimpse – Healthcare Spending

Public and private healthcare spending totaled \$2.6 trillion, representing 17.9% of the U.S. economy in 2010.

Healthcare spending increased 3.9% in 2010. The 3.8% increase in healthcare spending in 2009 is the smallest rise in the 51 years, as tracked by the federal Centers for Medicare and Medicaid.



# Job Creation Drivers in Healthcare

Healthcare Reform – Cost, Access, Quality

Aging of Population – Life Expectancy  
Increasing

Technology – Diagnostic and therapeutic  
services, molecular/biological genetics, and  
information technology



# Healthcare Employment Settings

Healthcare employment is primarily in the following settings:

- Hospitals
- Nursing and residential care facilities
- Physician offices – single and group practices
- Dental offices
- Home healthcare services
- Offices of other health practitioners – pharmacy and lab services
- Outpatient care centers : hospitals and community-based clinics
- Other ambulatory healthcare services
- Medical and diagnostic laboratories
- Administrative Support
- Health Plan Administration



# Developments Impacting Job Creation

Economy and efficiency is shaping the healthcare industry.

- Growing emphasis on providing services on an outpatient, ambulatory basis
- Increased use of integrated delivery systems
  - Combine two or more segments of the industry to increase efficiency through the streamlining of functions
- Emphasis on preventive care
  - Reduces the potential cost of undiagnosed, untreated medical conditions



# Developments Impacting Job Creation

Quality care and outcome measures advance new procedures and methods of diagnosis and treatment.

- Infection control
- Less invasive surgical techniques
- Advances in reproductive technology
- Gene therapy for cancer treatment

Enhancements in medical technology have improved survival rates of trauma victims and the severely ill.

- Extensive care from therapists and social workers is required
- New technologies will identify and treat conditions that were previously untreatable



# Developments Impacting Job Creation

Implementing information technology continues to improve patient care and worker efficiency.

- Hand-held /bedside computers that record notes on each patient
- Automated medication systems
- Integrated electronic ordering of results reporting
  - Reduces recordkeeping errors/redundancy
  - Provides a perpetual recording of care

Enrollment in managed care programs continues to grow.

- Preferred provider organizations
- Health maintenance organizations
- Hybrid plans
- Point-of-service programs





# Future Outlook

Industry growth also will occur as a result of the shift from inpatient to economically efficient outpatient and home healthcare settings.

- Improvements in diagnostic tests and in-home monitoring
- Improvements in surgical procedures
- Patients' desires to be treated at home
- Medical group practice and integrated health system growth increase the need for administrative support workers
- Employment in home healthcare and nursing and residential care should increase rapidly as life expectancies rise, and as aging children are less able to care for their parents and rely more on long-term care facilities



# Future Outlook

In a 2010 survey of California hospitals, aging workforce and healthcare reform were identified as the top long-term concerns relative to workforce supply. Anticipated retirements through 2015 were identified to be highest in the following selected occupations:

- Clinical Lab Scientist
- Respiratory Therapist
- Pharmacist
- Radiological Technologist
- Pharmacy Technician
- Physical Therapist
- Medical Lab Technician
- CT Technologist
- Nuclear Medicine Technologist
- Ultrasound Technologist



# Future Outlook

Healthcare information specialists are also required to support new communications and monitoring technologies, increased record keeping and IT infrastructure:

Health Information Directors  
Software Engineering  
Health Information Technician



# San Diego County Impact

## Major capital projects:

- \$900 million – Palomar Pomerado Health West project
- \$200 million – Scripps Memorial Hospital Encinitas expansion
- \$430 million – Cardiovascular Institute (part of \$700 million renovation of Scripps Memorial Hospital La Jolla)

The healthcare industry is anticipating the release of pent up demand as employment improves and additional demand from newly-insured patients as a result of health care reform (400-500K newly-insured in San Diego County in 2014).



# San Diego County Impact

## Major grant projects: Bridges to Employment / San Diego Workforce Partnership

- \$25 million over 5 years – serving 500 clients/year
- HHS grant – only one in California
- Focus on career pathways and life-long learning
- 20 health occupations targeted

## Transitions to Care Grant

- Healthcare and social aging partnerships to provide right care at the right time to our community means a greater need for “care coordinators”.

## Innovations Grant

- Opportunity to treat patients in early stages of need, keeping San Diego healthy with a focus on training of community care integrators



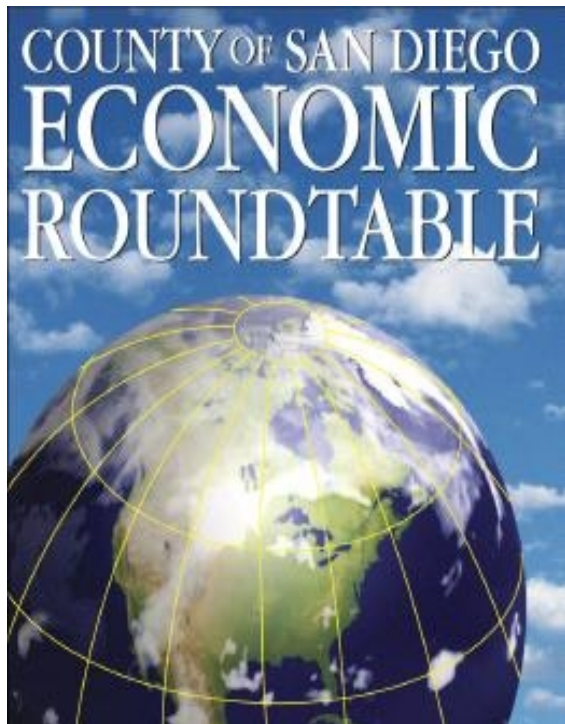
# Questions?

**Steven A. Escoboza**  
**President/CEO**

**Tel: 858-614-0200**  
**sescoboza@hasdic.org**  
**[www.hasdic.org](http://www.hasdic.org)**



**HOSPITAL ASSOCIATION**  
of San Diego and Imperial Counties



Thank you for attending!



County of  
San Diego

SAN DIEGO  
**WORKFORCE**  
**PARTNERSHIP®**



THE SAN DIEGO  
**UT**  
UNION-TRIBUNE